

**FAIRFAX COUNTY REDEVELOPMENT  
AND HOUSING AUTHORITY  
(A Component Unit of the  
County of Fairfax, Virginia)  
Fairfax, Virginia**

**FINANCIAL STATEMENTS  
June 30, 2009**

## TABLE OF CONTENTS

	PAGE
<b>INDEPENDENT AUDITOR’S REPORT</b> .....	1
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b> .....	3
<b>FINANCIAL STATEMENTS</b>	
Statement of Net Assets .....	11
Statement of Revenue, Expenses, and Changes in Net Assets .....	12
Statement of Cash Flows .....	13
Notes to Financial Statements .....	14
<b>SUPPLEMENTAL INFORMATION</b>	
Financial Data Schedule –	
Level 1 – PHA Financial Data .....	37
Level 3 – Program Financials .....	43
<b>INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b> .....	51

## **Independent Auditor's Report**

Board of Supervisors  
County of Fairfax, Virginia

Board of Commissioners  
Fairfax County Redevelopment  
and Housing Authority  
Fairfax, Virginia

We have audited the accompanying financial statements of the business-type activities of Fairfax County Redevelopment and Housing Authority (the Authority), a component unit of the County of Fairfax, Virginia, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, which represent 100% of the total assets, revenues and net assets of the discretely presented component units as of and for the year ended June 30, 2009. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for the one rental property and the discretely presented component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The component unit financial statements of Castellani Meadows, Gum Springs Glen, Herndon Harbor House, Herndon Harbor House II, Morris Glen, FCRHA HCDC One, FCRHA HCDC Two, Tavenner Lane, Cedar Ridge, and The Green were not audited in accordance with *Government Auditing Standards*. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of June 30, 2009, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2009 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The accompanying information identified in the Table of Contents as supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

*Clifton Gunderson LLP*

Baltimore, Maryland  
November 4, 2009

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2009**

**Introduction**

The Fairfax County Redevelopment and Housing Authority (the FCRHA) is a political subdivision of the Commonwealth of Virginia and is empowered to implement housing, community development, redevelopment and revitalization programs within Fairfax County (the County), as well as towns, cities, and counties with which it has cooperation agreements. The Fairfax County Board of Supervisors (the Board) created the Department of Housing and Community Development (HCD) to act as the development and administrative agency for the FCRHA and the Board in meeting the housing and community development needs of the County's low and moderate income residents.

The FCRHA's fiscal year (FY) 2009 annual financial report consists of two parts – the management's discussion and analysis (MD&A) and the basic financial statements and notes to those financial statements.

The FCRHA presents this MD&A of its financial performance during the fiscal year ended June 30, 2009, to assist the reader in focusing on significant financial issues and concerns. This year's MD&A presents a comparative analysis of financial data to help the reader ascertain the reasons for changes in assets, liabilities, expenses, revenues, and net asset balances from the previous year.

This MD&A is focused on the activities of the FCRHA's Enterprise Fund as a primary government. The Authority is the managing general partner in 11 real estate limited partnerships. All of the partnerships have calendar year ends. Accordingly, the amounts included for each discretely presented component unit that comprise the aggregate component unit column in the combined financial statements are as of and for the respective year ends that fall within the year ended June 30, 2008.

**Financial Highlights for FY 2009**

The FCRHA's FY 2009 financial highlights included the following:

- Total assets and liabilities of the FCRHA were approximately \$176.4 million and \$56.3 million, respectively; thus total net assets were approximately \$120.1 million at June 30, 2009. Of this amount, approximately \$45.9 million (unrestricted net assets) may be used to meet the FCRHA's future operational needs.
- Total revenues and expenses were approximately \$77.6 million and \$72.6 million, respectively; resulting in an increase in net assets of approximately \$5 million during the fiscal year. This increase represents approximately a 4.3% increase in net assets from June 30, 2008 and was primarily due to increased rental revenues from the acquisition of new properties.
- Cash and cash equivalents increased by approximately \$2.3 million.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2009**

**FCRHA Financial Statements**

The FCRHA's mission in the County focuses on the planning, design, construction, preservation, rehabilitation, financing, and management of housing, primarily for low- and moderate-income households, and on assisting in the revitalization of neighborhoods in Fairfax County. The FCRHA, as of June 30, 2009, owned and/or operated a total of 2,995 units of multifamily housing, and 772 units/beds of specialized housing that were leased to low- and moderate-income families and individuals. The specialized housing is comprised of 414 units of independent senior housing, 112 beds of assisted living, 112 beds of supportive housing beds in shelters and group homes, and 134 units of other specialized housing. In addition, the United States Department of Housing and Urban Development (HUD) has granted the FCRHA the authority to lease up to 3,204 vouchers under the federal Housing Choice Voucher program.

In FY 2007, the County's Board of Supervisors set a goal and tasked the FCRHA to preserve 1,000 units of affordable housing by the end of 2007. As of June 30, 2009, a total of 2,376 units had been preserved by the FCRHA and its public and non-profit partners.

In FY 2009, the FCRHA continued to promote the production of Affordable Dwelling Units (ADU) and Workforce Dwelling Units (WDUs). Since the inception of the ADU program in 1991 through August 2009, a total of 3,271 units had been committed by developers under the requirements of the Fairfax County Zoning Ordinance, of which 2,328 units have been constructed and 943 are in the development pipeline. A total of 1,083 WDUs have been committed by developers via approved rezoning actions; as of August 2009, none of these units has yet been constructed. (The WDU policy is a proffer-based incentive system adopted by the Board in September 2007 as a part of the Comprehensive Plan. This policy is designed to foster the construction of housing affordable to moderate-income households in high-rise, high-density projects that are otherwise exempt from the ADU requirement).

The FCRHA presents its financial results in three basic financial statements – the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows. The statement of net assets reports all financial and capital resources of the FCRHA and is presented in a format where assets minus liabilities equals net assets. Net assets are broken down into the following three categories:

- *Net assets, invested in capital assets, net of related debt* consist of all capital assets net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- *Restricted net assets* consist of assets on which constraints are placed by creditors (such as debt covenants), grantors, contributors, laws, or regulations.
- *Unrestricted net assets* consist of net assets that do not meet the definition of net assets that fall in either one of the two categories discussed above – invested in capital assets, net of related debt, or restricted net assets.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2009**

The statement of revenues, expenses, and changes in net assets includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation expense; and non-operating revenues and expenses, such as grant revenue, investment income, interest expense, and gain on disposition of assets. The statement's focus is the change in net assets.

Finally, a statement of cash flows is included, which discloses net cash flows from operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

These financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

### Summary of Net Assets

The following table presents a summary of FCRHA's net assets as of June 30, 2009 and 2008.

Table 1  
Summary of Net Assets  
(in millions)

Description	2009	2008	Increase (Decrease)	% Changed
Current and other assets	\$ 90.8	\$ 77.6	\$ 13.2	17.0
Capital assets	85.6	85.0	0.6	0.7
Total assets	176.4	162.6	13.8	8.5
Current liabilities	8.7	12.3	(3.6)	(29.3)
Noncurrent liabilities	47.6	35.2	12.4	35.2
Total liabilities	56.3	47.5	8.8	18.5
Net assets:				
Invested in capital assets, net of related debt	66.6	67.7	(1.1)	(1.6)
Restricted	7.6	4.8	2.8	58.3
Unrestricted	45.9	42.6	3.3	7.7
<b>Total net assets</b>	<b>\$ 120.1</b>	<b>\$ 115.1</b>	<b>\$ 5.0</b>	<b>4.3</b>

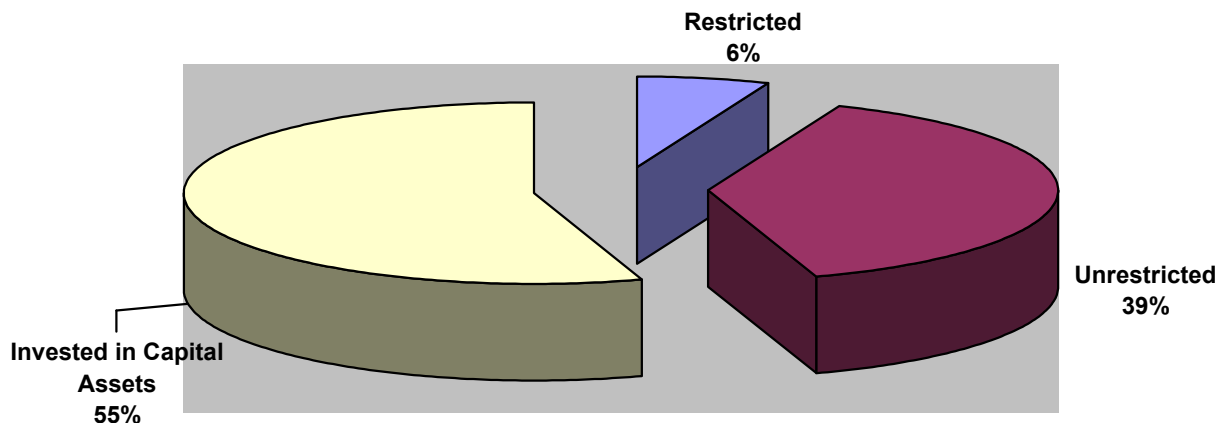
As of June 30, 2009, the FCRHA's net assets totaled approximately \$120.1 million, an increase of approximately \$5 million, or 4.3%, over the net asset balance as of June 30, 2008. This increase was due to certain transactions that affected the FCRHA's asset and liability balances during the year. Current and other assets increased by a net of \$13.2 million, or 17.0%, while noncurrent liabilities increased by a net of \$12.4 million, or 35.2%. The majority of these increases were related to the FCRHA's issuance of a tax-exempt multi-family housing bond for \$12.2 million on behalf of the FCRHA Olley Glen Limited Partnership.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

Current liabilities decreased by approximately \$3.6 million, or approximately 29.3%, primarily due to a significant reduction of deferred revenues that were recorded in Fiscal Year 2009 for the collection of receivables for the Section 8 Housing Choice Voucher Program.

The FCRHA's total net assets also consisted of restricted net assets of \$7.6 million and \$4.8 million, and unrestricted net assets of \$45.9 million and \$42.6 million at June 30, 2009 and 2008, respectively. Restricted net assets include cash and investments consisting of restricted deposits and funded reserves for repairs and replacements required by HUD and Virginia Housing Development Authority (the VHDA) guidelines, as well as cash balances in accordance with certain bond indentures. The following pie chart illustrates the relative percentage of the FCRHA's net assets invested in capital assets and the remaining restricted and unrestricted net assets at June 30, 2009.

**Composition of FCRHA's Net Assets**



### **Capital Assets and Debt Administration**

**Capital Assets.** The FCRHA capital assets at June 30, 2009 and 2008, included land, buildings and improvements, equipment, and construction in progress, which totaled \$85.6 million and \$85.0 million, respectively, net of accumulated depreciation of approximately \$72.3 million and \$68.5 million at June 30, 2009 and 2008, respectively. The approximately \$0.6 million net increase in capital assets was attributed to capital grant construction in progress and a land purchase in FY 2009. For further details see note 4, page 23, Capital Assets.



**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2009**

In addition, component unit capital assets at December 31, 2008 and 2007 included land, buildings and improvements, equipment, and construction in progress, which totaled \$58.4 million and \$57.3 million, respectively.

**Short-term and long-term debt.** The FCRHA's June 30, 2009 and 2008 statement of net assets includes debt – consisting of housing loans, notes, and bonds payable – of approximately \$49.3 million and \$36.5 million, respectively.

Public bond issues are project specific and have been rated by Standard and Poor's at either "AA" or "AAA" depending upon the collateral securing the debt. The FCRHA also has debt created by direct placement with institutional lenders without the need for a credit rating. For further details, see note 5, page 23, Short-Term and Long-Term Obligations – Loans, Notes and Bonds Payable.

In addition, component unit debt at December 31, 2008 and 2007 consisted of housing loans, notes, and bonds payable of \$46.1 million and \$45.9 million, respectively.

**Revenues, Expenses, and Changes in Net Assets**

The results of the FCRHA's operations are reported in the statement of revenues, expenses, and changes in net assets. In FY 2009, the FCRHA's enterprise programs realized an increase in net assets of approximately \$5 million. Table 2 presents a summary of data from the FCRHA's statement of revenues, expenses, and changes in net assets for FY 2009 and FY 2008 and a comparative analysis of activities in these years.

Table 2  
Summary of Revenues, Expenses and Changes in Net Assets  
(in millions)

Description	FY 2009	FY 2008	Increase (Decrease)	% Changed
Revenues:				
Operating revenues	\$ 28.0	\$ 24.0	\$ 4.0	16.7
Nonoperating revenues and contributions	49.6	54.7	(5.1)	(9.3)
Total revenues	77.6	78.7	(1.1)	(1.4)
Expenses:				
Operating expenses	70.5	65.2	5.3	8.1
Nonoperating expenses	2.1	7.2	(5.1)	(70.8)
Total expenses	72.6	72.4	0.2	0.3
Changes in net assets	5.0	6.3	(1.3)	(20.6)
Total net assets, beginning of year	115.1	108.8	6.3	5.8
<b>Total net assets, end of year</b>	<b>\$ 120.1</b>	<b>\$ 115.1</b>	<b>\$ 5.0</b>	<b>4.3</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2009**

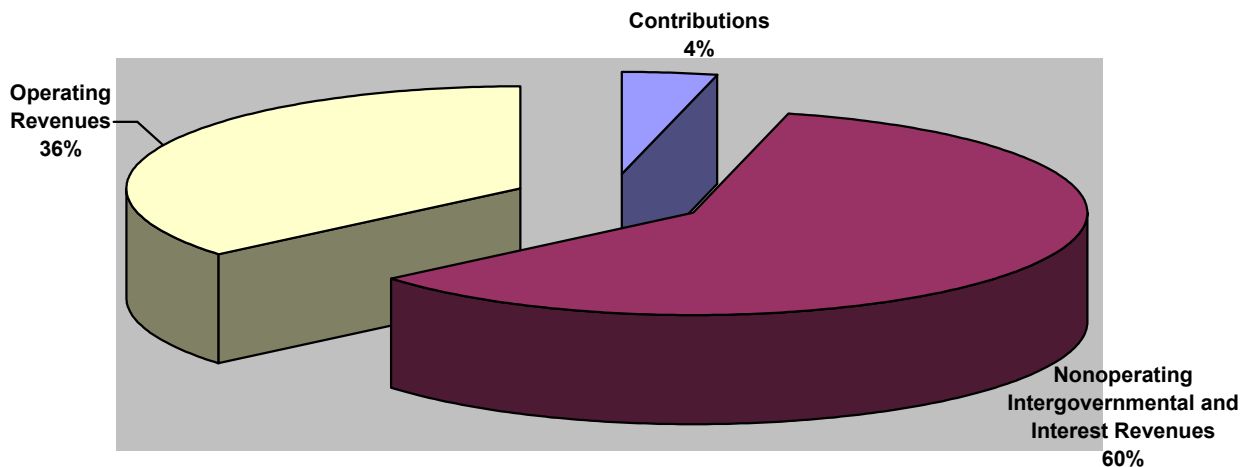
The FCRHA's total overall revenues during the year were down by approximately \$1.1 million, or 1.4%. Although operating revenues were up by approximately \$4.0 million, or 16.7% as a result of increased rental revenues associated with new property acquisitions, the majority of the decrease occurred in non-operating revenues and contributions, which showed a decrease of approximately \$5.1 million, or 9.3%. This decrease was due to fewer rental property acquisitions during the year which caused the contributions from the County for intergovernmental revenues - capital grants to be less in FY 2009.

The FCRHA's operating expenses in FY 2009 were up by approximately \$5.3 million, or 8.1%, due primarily to the increase in new properties. Non-operating expenses were down by approximately \$5.1 million, or 70.8%, which was primarily related to a one-time loss on disposal of assets that occurred in fiscal year 2008.

Approximately 64% of the FCRHA's total revenues in FY 2009 were non-operating revenues, interest revenues, and contributions that were derived from federal grants from HUD, County contributions, and interest. The remaining 36% were operating revenues derived from rents and other user charges, and developer and financing fees. The following pie chart illustrates the major sources of these revenues and their relative percent of the total for FY 2009.

**FCRHA's Enterprise Programs**

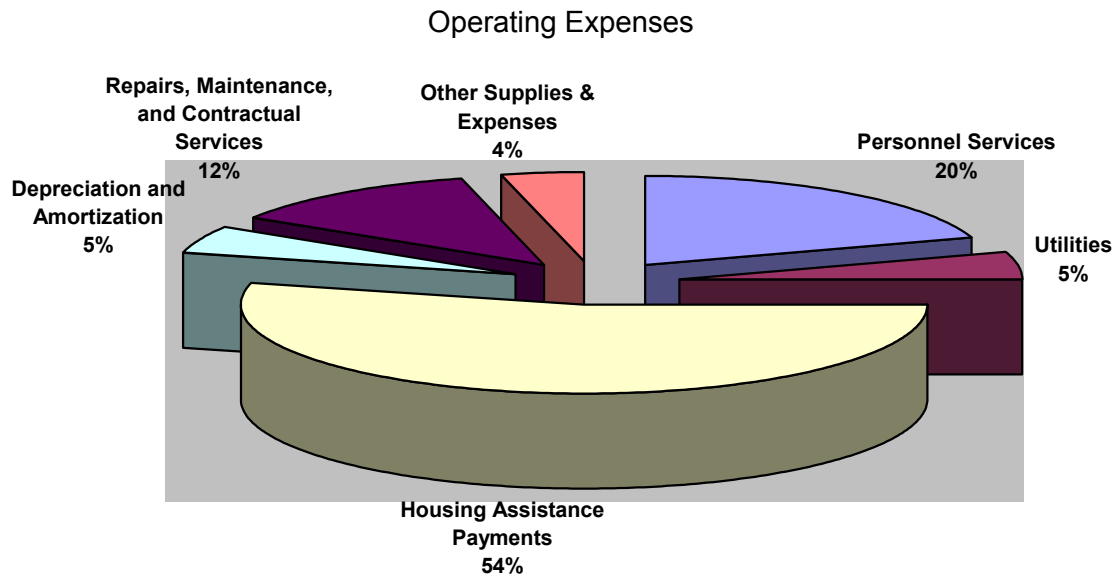
Sources of Funds



In FY 2009, the FCRHA incurred operating expenses in its enterprise programs totaling approximately \$70.5 million. The following pie chart illustrates major operating expense groups and their relative percent of the total.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**FCRHA's Enterprise Programs**



**Contacting FCRHA Management**

This financial report is designed to provide the citizens of Fairfax County, taxpayers, customers, investors, and creditors with a general overview of the FCRHA's operations and finances and to demonstrate the FCRHA's accountability for the money it receives. Questions concerning this report, any of the component unit financial reports, or requests for additional financial information should be directed to the Director, Financial Management Division, Department of Housing and Community Development, 3700 Pender Drive, Suite 300, Fairfax, Virginia 22030.

## **FINANCIAL STATEMENTS**

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**STATEMENT OF NET ASSETS**  
**June 30, 2009**

	Enterprise Fund	Component Units	Total Reporting Entity
<b>ASSETS</b>			
Current assets:			
Cash in bank (note 1)	\$ 12,531,669	\$ 5,047,267	\$ 17,578,936
Cash on deposit with the County of Fairfax, Virginia (note 1)	27,337,157	-	27,337,157
Cash reserves	1,227,923	-	1,227,923
Investments (note 2)	3,590,000	-	3,590,000
Restricted cash:			
Deposit held in trust	1,602,369	480,586	2,082,955
Accrued interest receivable	179,930	322	180,252
Accounts receivable (net of allowances) (note 3)	1,476,676	271,702	1,748,378
Notes, mortgages, and other receivables (note 3)	1,093,301	81,947	1,175,248
Property held for sale	1,787,884	-	1,787,884
Prepaid items and other assets	3,309,550	7,918	3,317,468
Total current assets	<u>54,136,459</u>	<u>5,889,742</u>	<u>60,026,201</u>
Noncurrent assets:			
Restricted assets:			
Cash reserves	3,957,259	4,479,315	8,436,574
Investments (note 2)	1,366,000	-	1,366,000
Total restricted assets	<u>5,323,259</u>	<u>4,479,315</u>	<u>9,802,574</u>
Other noncurrent assets:			
Notes, mortgages and other receivables (note 3)	31,366,593	-	31,366,593
Prepaid items and other assets	9,692	-	9,692
Deferred financing fees (net of accumulated amortization of \$13,815)	15,586	988,301	1,003,887
Total other noncurrent assets	<u>31,391,871</u>	<u>988,301</u>	<u>32,380,172</u>
Capital assets (note 4):			
Nondepreciable:			
Land	31,064,477	8,764,242	39,828,719
Construction in progress	5,479,028	-	5,479,028
Depreciable:			
Buildings and improvements	120,809,295	72,233,928	193,043,223
Equipment	556,470	927,550	1,484,020
Accumulated depreciation	<u>(72,332,598)</u>	<u>(23,517,065)</u>	<u>(95,849,663)</u>
Total capital assets, net	<u>85,576,672</u>	<u>58,408,655</u>	<u>143,985,327</u>
Total noncurrent assets	<u>122,291,802</u>	<u>63,876,271</u>	<u>186,168,073</u>
Total assets	<u>176,428,261</u>	<u>69,766,013</u>	<u>246,194,274</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	1,491,443	1,871,669	3,363,112
Accrued salaries and benefits	631,722	-	631,722
Due to the County of Fairfax, Virginia	629,738	2,300,114	2,929,852
Deposits held in trust	1,602,369	438,377	2,040,746
Deferred revenue	1,384,791	81,582	1,466,373
Accrued compensated absences (note 6)	521,391	-	521,391
Loans, notes, and bonds payable (note 5)	<u>2,412,717</u>	<u>972,358</u>	<u>3,385,075</u>
Total current liabilities	<u>8,674,171</u>	<u>5,664,100</u>	<u>14,338,271</u>
Noncurrent liabilities:			
Accrued compensated absences (note 6)	607,802	-	607,802
Loans, notes, and bonds payable (note 5)	46,958,332	45,103,572	92,061,904
Other accrued long-term interest	-	2,638,316	2,638,316
Total noncurrent liabilities	<u>47,566,134</u>	<u>47,741,888</u>	<u>95,308,022</u>
Total liabilities	<u>56,240,305</u>	<u>53,405,988</u>	<u>109,646,293</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	66,615,740	12,332,725	78,948,465
Restricted	7,610,262	4,521,524	12,131,786
Unrestricted (deficit)	<u>45,961,954</u>	<u>(494,224)</u>	<u>45,467,730</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 120,187,956</u>	<u>\$ 16,360,025</u>	<u>\$ 136,547,981</u>

The accompanying notes are an integral part of the financial statements.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Year Ended June 30, 2009**

	<b>Enterprise Fund</b>	<b>Component Units</b>	<b>Total Reporting Entity</b>
<b>OPERATING REVENUES</b>			
Dwelling rentals	\$ 24,400,328	\$ 7,991,895	\$ 32,392,223
Other	<u>3,626,010</u>	<u>1,309,989</u>	<u>4,935,999</u>
Total operating revenues	<u>28,026,338</u>	<u>9,301,884</u>	<u>37,328,222</u>
<b>OPERATING EXPENSES</b>			
Personnel services	14,173,458	1,689,319	15,862,777
Contractual services	1,470,402	120,198	1,590,600
Utilities	3,772,114	1,124,179	4,896,293
Repairs and maintenance	6,557,013	2,048,932	8,605,945
Other supplies and expenses	2,638,876	2,049,211	4,688,087
Housing Assistance Payments (HAP)	38,134,821	-	38,134,821
Depreciation and amortization	<u>3,815,877</u>	<u>2,365,046</u>	<u>6,180,923</u>
Total operating expenses	<u>70,562,561</u>	<u>9,396,885</u>	<u>79,959,446</u>
Operating loss	<u>(42,536,223)</u>	<u>(95,001)</u>	<u>(42,631,224)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenue	45,988,494	62,113	46,050,607
Interest revenue	766,446	69,285	835,731
Interest expense	(1,158,865)	(2,010,728)	(3,169,593)
Grant to Fairfax County	<u>(900,000)</u>	<u>-</u>	<u>(900,000)</u>
Total nonoperating revenues (expenses), net	<u>44,696,075</u>	<u>(1,879,330)</u>	<u>42,816,745</u>
Income (loss) before contributions	<u>2,159,852</u>	<u>(1,974,331)</u>	<u>185,521</u>
<b>CONTRIBUTIONS</b>			
Investor capital contributions	-	1,580,927	1,580,927
HUD debt service contributions	239,205	-	239,205
HUD capital contributions	<u>2,628,255</u>	<u>-</u>	<u>2,628,255</u>
Total contributions	<u>2,867,460</u>	<u>1,580,927</u>	<u>4,448,387</u>
<b>CHANGE IN NET ASSETS</b>	5,027,312	(393,404)	4,633,908
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	<u>115,160,644</u>	<u>16,753,429</u>	<u>131,914,073</u>
<b>TOTAL NET ASSETS, END OF YEAR</b>	<u>\$ 120,187,956</u>	<u>\$ 16,360,025</u>	<u>\$ 136,547,981</u>

The accompanying notes are an integral part of the financial statements.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2009**

	Enterprise Fund	Component Units	Total Reporting Entity
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rental receipts	\$ 22,627,833	\$ 8,057,478	\$ 30,685,311
Other operating cash receipts	3,540,466	1,305,865	4,846,331
Purchase of property held for sale	(4,604,624)	-	(4,604,624)
Receipts from sale of property held for sale	4,219,578	-	4,219,578
Payments to employees for services	(14,029,464)	(1,689,319)	(15,718,783)
Housing assistance payments	(38,448,595)	-	(38,448,595)
Payments to suppliers for goods and services	(14,911,846)	(5,579,624)	(20,491,470)
Net cash provided by (used in) operating activities	<u>(41,606,652)</u>	<u>2,094,400</u>	<u>(39,512,252)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Retirement of loans, notes and bond payables	(150,628)	-	(150,628)
Proceeds from the issuance of debt	12,665,000	-	12,665,000
Receipts (payments) on behalf of Fairfax County	(1,033,342)	-	(1,033,342)
Intergovernmental revenues received	45,929,438	-	45,929,438
Grant to Fairfax County	(900,000)	62,113	(837,887)
Net cash provided by noncapital financing activities	<u>56,510,468</u>	<u>62,113</u>	<u>56,572,581</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(4,427,536)	(3,414,424)	(7,841,960)
Investor capital contributions	-	1,580,927	1,580,927
Proceeds from issuance of debt	2,050,000	122,993	2,172,993
Interest paid	(1,171,801)	(1,702,014)	(2,873,815)
Debt principal paid	(1,695,555)	(847,913)	(2,543,468)
HUD debt service and capital contributions	2,867,460	-	2,867,460
Net cash used in capital and related financing activities	<u>(2,377,432)</u>	<u>(4,260,431)</u>	<u>(6,637,863)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipt of loan and advance repayments	216,288	-	216,288
Disbursement of loans and advances receivable	(12,153,357)	-	(12,153,357)
Acquisition of investments	1,026,640	-	1,026,640
Interest and gain received on investments	674,172	69,285	743,457
Net cash provided by (used in) investing activities	<u>(10,236,257)</u>	<u>69,285</u>	<u>(10,166,972)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,290,127	(2,034,633)	255,494
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>44,366,250</u>	<u>12,041,801</u>	<u>56,408,051</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 46,656,377</u>	<u>\$ 10,007,168</u>	<u>\$ 56,663,545</u>
<b>RECONCILIATION TO STATEMENT OF NET ASSETS</b>			
Cash in bank	\$ 12,531,669	\$ 5,047,267	\$ 17,578,936
Cash on deposit with the County of Fairfax, Virginia	27,337,157	-	27,337,157
Cash deposits held in trust	1,602,369	480,586	2,082,955
Cash reserves	<u>5,185,182</u>	<u>4,479,315</u>	<u>9,664,497</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 46,656,377</u>	<u>\$ 10,007,168</u>	<u>\$ 56,663,545</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating loss	\$ (42,536,223)	\$ (95,001)	\$ (42,631,224)
Depreciation and amortization	3,815,877	2,365,046	6,180,923
Effects of changes in operating assets and liabilities:			
Accounts receivable	(553,155)	74,673	(478,482)
Prepaid items and other assets	(735,860)	965,836	229,976
Accounts payable and accrued liabilities	(436,439)	(1,202,940)	(1,639,379)
Accrued salaries and wages	143,994	-	143,994
Deposits held in trust	(1,371,231)	(4,124)	(1,375,355)
Deferred revenue	66,385	(9,090)	57,295
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ (41,606,652)</u>	<u>\$ 2,094,400</u>	<u>\$ (39,512,252)</u>

The accompanying notes are an integral part of the financial statements.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization Profile**

These financial statements include the activities of the Fairfax County Redevelopment and Housing Authority (the Authority or FCRHA). The Authority administers various housing and community development programs within the County of Fairfax, Virginia (the County). The Authority is a political subdivision of the Commonwealth of Virginia created pursuant to Chapter 1 of Title 36 of the Code of Virginia of 1950, as amended, by resolution of the Board of Supervisors of Fairfax County and approved in a referendum of voters in the County on November 2, 1965. On February 23, 1966, the Board of Supervisors declared the Authority activated. The powers, duties, and responsibilities of the Authority are set forth in Title 36 of the Code of Virginia of 1950, as amended. The Authority is a component unit of the County.

The accounting policies of the Authority conform to U.S. generally accepted accounting principles (GAAP) as applicable to proprietary funds of governmental units. The following is a summary of the Authority's more significant accounting policies.

**Reporting Entity**

As required by GAAP, the accompanying financial statements present the financial position and result of operations of the Authority (the primary government) and its component units. The financial results of the component units are included in the Authority's basic financial statements because of the significance of their operational or financial relationships with the Authority. The Authority and its component units are together referred to as the Reporting Entity.

*Blended Component Unit*

The Authority is the general partner of one real estate partnership (Little River Glen) that is considered a component unit of the Authority for the same reasons discussed in the following paragraph. However, because the Authority is not only the general partner, but also controls the limited partnership interests, it is considered a blended component unit. The blended component unit has a June 30 fiscal year-end.

*Discretely Presented Component Units*

Additionally, the Authority is also the general partner in eleven other real estate limited partnerships (Fairfax County Redevelopment and Housing Authority/HCDC One, L.P., Fairfax County Redevelopment and Housing Authority/HCDC Two, L.P., Herndon Harbor House I L.P., Herndon Harbor House II L.P., Tavenner Lane, L.P., Castellani Meadows L.P., The Green L.P., Morris Glen L.P., Gum Springs Glen L.P., Cedar Ridge, L.P., and FCRHA Olley Glen, L.P.). However, the limited partnership interests are held by third parties unrelated to the Authority. As the general partner, the Authority has certain rights and responsibilities, which enable it to impose its will on the limited partnerships. Additionally, the Authority is financially accountable for the limited partnerships as the Authority is legally obligated to fund operating deficits up to a maximum limit per partnership, in accordance with the terms of the partnership agreements.



**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

All discretely presented component units have a December 31 calendar year-end. Accordingly, the amounts included for each component unit are as of and for the year-end that falls within the year ended June 30, 2009.

**Basis of Presentation**

The accounts of the Authority are presented in single proprietary fund financial statements consisting of various programs. This financial statement presentation provides an indication of the financial performance of the Authority as a whole. The operations of the Authority are accounted for in the three basic financial statements: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows. These statements report information on all activities of the Authority and its component units. Likewise, the Authority is reported separately from legally separate component units for which the Authority is financially accountable.

The Authority's activities include the following programs:

The following two programs include programs provided by the County through its Department of Housing and Community Development (HCD). The HCD was established by the Board of Supervisors on December 12, 1973, to assume the administrative functions of the Authority and to function as the County's agency for administration of all housing and community development programs. In this action, the Board of Supervisors also established that the County Executive would be the Executive Director and the Secretary of the Authority.

- *Elderly Housing Programs* are used to account for the affordable rental housing owned by the Authority and occupied by the elderly.
- *Homeowners and Business Loan Program* is used to account for funds used to assist low and moderate income families to become homeowners in the County or to improve their current living space through repair or rehabilitation. It is also used to account for the operation of small and minority business loan programs that are funded by the federal government.

The Authority's other programs, described below, are financed primarily by federal grants from the U.S. Department of Housing and Urban Development (HUD), rents, and other user charges resulting from the operations of subsidized housing, development and financing fees, investment income, and loan proceeds. These funds provide rental housing, housing for the elderly/group homes, loans for home ownership and home improvement, tenant rental assistance, community development, and the development and administration of these programs. A description of each of these programs follows:

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation** (continued)

- *Public Housing Program* is used to account for operating and capital costs of rental housing owned and operated by the Authority and subsidized by the HUD public housing program. Other funding sources include rental income and other user charges.
- *Housing Choice Voucher Program* is a federal housing assistance program for lower income families seeking housing in the private market place. HUD provides funds to pay a portion of the family's rent.
- *Operating Program* is used to account for projects and for real property that is not accounted for in other Authority programs. The primary source of revenue is financing fees earned from the issuance of bonds, monitoring and service fees charged to developers.
- *Revolving Development Program* is used to provide funds for initial project costs, such as new site investigations, architectural and engineering plans, studies, and fees. This funding ensures that adequate plans and proposals are completed prior to application for project financing from federal, state, or private sources. These initial costs are anticipated to be recovered from permanent project financing.
- *Private Finance Program* is used to budget and report costs for capital projects that are supported wholly or partially by funds borrowed by the Authority or through the Authority's sale of notes or bonds. Housing development and improvement projects may be financed with funds borrowed from private lenders, the Virginia Housing Development Authority (VHDA), or the federal government.
- *Rehabilitation Loan Program* is used to account for the Authority's portion of the funding for the Home Improvement Loan Program (HILP). The HILP provides financial and technical assistance to low- and moderate-income homeowners for rehabilitation of their properties. Funding for this program has been provided by the federal Community Development Block Grant (CDBG), County appropriation and commercial banks.
- *Fairfax County Rental Program* (FCRP) is used to provide affordable rental housing (other than federal public housing) in the County for low- and moderate-income families.
- *Grant Program* is used to account for the HUD Resident Opportunities and Self Sufficiency grant.

**Measurement Focus and Basis of Accounting**

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (continued)**

The Authority adheres to all applicable pronouncements of the Financial Accounting Standards Board (FASB) issued on or prior to November 30, 1989, unless these pronouncements conflict with pronouncements of the Governmental Accounting Standards Board (GASB).

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are rental charges and other charges related to the use of property. The Authority also recognizes as operating revenues management and development fees, excess utility charges, and other tenant charges. Operating expenses include personnel services, contractual services, administrative expenses, utility expenses, ordinary repair and maintenance expenses, housing assistance payments, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as either non-operating revenues or expenses or contributions.

**Cash and Temporary Investments**

Cash in Bank is maintained by the County's Investment and Cash Management Division (ICM) in a separate bank account in order to comply with the provisions of bond indentures. Cash on Deposit with the County of Fairfax, Virginia, is also maintained by ICM, in a single pooled account. Deposits held in trust reflect amounts collected as security deposits from tenants, as well as accrued interest on these deposits. Cash Reserves primarily consist of restricted deposits and funded reserves for repairs and replacements required to be maintained under HUD and VHDA guidelines, as well as cash balances in accordance with certain bond indentures. All of the primary government's cash deposits are covered by federal depository insurance and have been fully insured or collateralized. Temporary investments consist of money market investments that have a remaining maturity at the time of purchase of one year or less and are reported at amortized cost, which approximates fair values. The County allocates, on a monthly basis, any temporary investment earnings, less an administrative charge, based on the Authority's average balance pooled cash and temporary investments.

**Investments**

The Authority maintains an investment policy, the overall objectives of which are the preservation of capital and the protection of investment principal; maintenance of sufficient liquidity to meet operating requirements; conformance with federal, state and other legal requirements and attainment of a market rate of return. Oversight of the investment activity is the responsibility of the Investment Committee, which is comprised of the Deputy Directors, HCD, Director of Financial Management Division (FMD), Director of Real Estate Finance and Grants Management Division (REFGM), Associate Director, REFGM and Fiscal Administrators, FMD.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments** (continued)

Authorized investments for public funds are set forth in the "Investment of Public Funds Act" of the Code of Virginia. Within the permitted statutory framework, the Authority limits the investment of assets to the Money Market Accounts, Certificates of Deposit and U.S. Treasury Securities. Temporary investments consist of money market investments that have a remaining maturity at the time of purchase of one year or less and are reported at amortized cost, which approximates fair value.

This investment policy applies to all financial assets of the Authority, all General Obligation bond funds, all funds deposited in the Authority's bank accounts, and the County's pooled cash. Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in bond documents. All Authority investments are held by the financial institution's trust department in its name and are collateralized by United States Government securities.

**Cash and Cash Equivalents**

For purposes of preparing the statement of cash flows, cash and cash equivalents include unrestricted cash in bank; cash on deposit with the County of Fairfax, Virginia, deposits held in trust and restricted cash reserves. In addition, only the changes in the operating portion of assets and liabilities are accounted for in this statement's reconciliation of operating income (loss) to net cash provided by (used in) operating activities.

**Interest Rate Risk**

The Authority's policy is to minimize the risk that the market value of securities in its portfolio will fall due to changes in market interest rates. To achieve this minimization of risk, the County structures the pooled investment portfolio so that sufficient securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Pooled investments that are purchased to meet liquidity needs shall have a target weighted average maturity of 90 days. All other pooled funds are invested primarily in shorter-term securities, with a maximum maturity of one year.

**Credit Risk**

The Authority's policy is to minimize the risk of loss due to the failure of an issuer or other counterparty to an investment to fulfill its obligations. The Authority limits its investments to the safest types of securities.

**Concentration of Credit Risk**

The Authority's investment policy limits the investment of assets to Money Market Accounts, Certificates of Deposit, and U.S. Treasury Securities.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Custodial Credit Risk**

For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, the Authority may not recover its deposits. In accordance with the Virginia Security for Public Deposits Act (Act), all of the Authority's deposits are covered by federal depository insurance or collateralized in accordance with the Act, which provides for the pooling of collateral pledged by financial institutions with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for one public depositor, and public depositors are prohibited from holding collateral in their name as security for deposits. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover a loss, additional amounts are assessed on a pro rata basis to the members of the pool. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by participating financial institutions. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance, therefore, funds deposited in accordance with the requirements of the Act are considered to be fully insured.

For investments, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Project will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Per policy, all of the investments purchased by the Authority are insured or registered or are securities held by the Authority or its agent in the Authority's name.

**Foreign Currency Risk**

Per the Authority's policy, investments are limited to U.S. dollar denominated instruments.

**Capital Assets**

Capital assets, which include land, buildings and improvements, equipment, and construction in progress are reported in the financial statements at cost when purchased and at estimated fair value when donated. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Depreciation has been provided for in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated useful lives using the straight line method. The estimated useful lives range from 5 to 27½ years. With respect to the Capital Grant program, the Authority capitalizes assets in accordance with HUD guidance.

**Compensated Absences**

Employees are granted vacation and sick leave based on their length of service. Unused vacation leave is payable to employees upon termination based on the employees' current rate of pay, up to certain limits. Sick leave does not vest with the employees however, it is converted

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (continued)**

to years of service upon retirement. In addition, employees may accrue compensatory leave for hours worked in excess of their scheduled hours. Compensatory leave in excess of 240 hours at the end of the calendar year is forfeited. The current pay rate, including certain additional employer-related fringe benefits, is used to calculate compensated absences accruals at June 30.

**Revenue Recognition**

The Authority has entered into Annual Contributions Contracts with HUD to develop, manage, and own public housing projects and to administer the Housing Choice Voucher Program, whereby monthly housing assistance payments are made to landlords on behalf of eligible lower income individuals and families. HUD makes annual debt service contributions and monthly operating subsidy contributions within the Public Housing Program and monthly contributions for housing assistance payments and administration fees for the Housing Choice Voucher Program. In addition, the County makes annual contributions to various programs (e.g., Elderly Housing program) to support operational costs. Such contributions are reflected as intergovernmental revenue in the accompanying financial statements. Other intergovernmental revenues are reported under the legal contractual requirements of the individual programs.

Intergovernmental revenues are recognized in the period in which all grant requirements are satisfied, which is typically when the Authority has expended the funds on allowable costs. Grant funds received in advance of satisfying all requirements are recorded as deferred revenue. Effective in FY 2006, HUD mandated that authorities who administer the Housing Choice Voucher (HCV) program should recognize revenue for Housing Assistance Payments (HAP) based on the current year's budget received, rather than the methodology used in previous years of recognizing revenue based on expenditures incurred.

Dwelling rental revenues are recorded as rentals become due. Rental payments received in advance are deferred until earned. Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. The allowance method is used to recognize bad debts.

**Notes, Mortgages, and Other Receivables**

Notes, mortgages, and other receivables are carried at amounts advanced, net of a reserve for uncollectible accounts, if any.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted Assets**

Restricted assets are liquid assets which have third-party limitations on their use. When both restricted and unrestricted resources are available for capital use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. In regard to operating reserves, it is the Authority's policy to use unrestricted resources first, and then restricted resources. In accordance with requirements of HUD and VHDA, the Authority is required to maintain certain restricted deposits and funded reserves for repairs and replacements.

**Implementation of New GASB Pronouncement**

In FY 2009, the Project implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The implementation of this new standard had no impact on the Project's FY 2009 financial statements.

**NOTE 2 – INVESTMENTS**

As of June 30, 2009, the Authority had the following investment type:

	<b>Fair Value</b>	<b>Weighted Average Maturity (Days)</b>
Investment type:		
Federal Home Loan Bank Discount Notes	<u>\$ 4,956,000</u>	<u>100.04</u>
Total fair value	<u><u>\$ 4,956,000</u></u>	
Portfolio weighted average maturity		<u>100.04</u>

Weighted Average Maturity days have been increased to 100.04 days from 67.37 days for FY 2009 and FY 2008, respectively. The Authority has extended the maturity on its investments to offset the effects of lower interest rates being earned on short-term investments.

**NOTE 3 – RECEIVABLES**

**Accounts Receivable**

Accounts receivable at June 30, 2009, consisted of the following:

Tenant receivable (net of allowance of \$69,363)	\$ 326,824
Landlord and HCV tenant receivables	150,722
Due from the County of Fairfax, Virginia	288,079
Due from U.S. Department of Housing and Urban Development	255,826
Due from other governments (Section 8 portability)	263,660
Admin and tenant services fees due from component units	<u>191,565</u>
<b>Total</b>	<u><u>\$ 1,476,676</u></u>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 3 – RECEIVABLES (CONTINUED)**

**Notes Receivable**

Notes receivable at June 30, 2009, consisted of the following:

Lake Ann of Reston	Unsecured notes, bearing interest at 3.73% to 7.90%, maturing July 1, 2015, principal and interest payments of \$28,400 due annually.	\$ 63,384
Herndon Harbor House I	Secured note bearing interest at 6.35%, maturing July 1, 2027, interest and principal payments of \$6,383 due monthly.	822,439
Herndon Harbor House II	Secured note bearing interest at 6%, maturing April 1, 2029, interest and principal payments of \$12,480 due monthly.	1,730,560
Castellani Meadows	Secured note bearing interest at 6.15%, maturing March 1, 2028, interest and principal payments of \$5,542 due monthly.	737,285
Cedar Ridge LP	Secured note bearing interest at 5.01%, maturing October 1, 2048, principal interest deferred until January 1, 2022. Until this date, interest will compound and be added to the outstanding principal balance of the loan annually.	849,835
Homeowners' and Business Loan Program	Unsecured and secured notes with varying interest rates and repayment terms, net of allowance for uncollectible notes of \$1,717,595.	1,971,012
Cedar Ridge LP	Secured note bearing interest at 5.984%, maturing October 1, 2048, interest and principal payments beginning December 1, 2008 of \$72,481 are due monthly.	13,137,860
FCRHA Olley Glen LP.	Secured note bearing interest at 6.4%, maturing August 1, 2051. Interest only payments through July 1, 2011. Beginning August 1, 2011, interest and principal payments of \$28,455 are due monthly. The amortized payment is based on the outstanding principal balance after a pay down of \$7.3 million, which is scheduled to be made on August 1, 2011.	12,220,000
Total		\$ 31,532,375
Less current notes		(349,704)
<b>Noncurrent notes receivable</b>		<b><u>\$ 31,182,671</u></b>

**Mortgages Receivable**

Under the Authority's Home Improvement Loan Program, qualified County residents who are unable to obtain financing from commercial sources may be loaned funds by the Authority. At June 30, 2009, long-term home improvement loans receivable under this program were \$26,440 bearing interest at varying rates up to 3%.



**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 3 – RECEIVABLES (CONTINUED)**

**Other Receivables**

Under the Authority's Revolving Development Program, the Authority provides advances to other projects to fund start-up costs. At June 30, 2009, advances receivable consisted of \$326,802, of which \$169,320 is due within the next year.

The Authority provides advances for certain payroll and contract services expense to certain tax credit limited partnership properties. At June 30, 2009, short term advances receivable amounted to \$574,277.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009, is as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, non-depreciable:				
Land	\$ 29,930,359	\$ 1,134,118	\$ -	\$ 31,064,477
Construction-in-progress	<u>2,850,773</u>	<u>2,628,255</u>	<u>-</u>	<u>5,479,028</u>
Total capital assets, non-depreciable	<u>32,781,132</u>	<u>3,762,373</u>	<u>-</u>	<u>36,543,505</u>
Capital assets, depreciable:				
Buildings and improvements	120,146,227	677,568	(14,500)	120,809,295
Equipment	<u>554,375</u>	<u>2,095</u>	<u>-</u>	<u>556,470</u>
Total capital assets, depreciable	<u>120,700,602</u>	<u>679,663</u>	<u>(14,500)</u>	<u>121,365,765</u>
Less accumulated depreciation for:				
Buildings and improvements	(68,060,852)	(3,780,802)	186	(71,841,468)
Equipment	<u>(458,180)</u>	<u>(32,950)</u>	<u>-</u>	<u>(491,130)</u>
Total accumulated depreciation	<u>(68,519,032)</u>	<u>(3,813,752)</u>	<u>186</u>	<u>(72,332,598)</u>
Total depreciable capital assets, net	<u>52,181,570</u>			<u>49,033,167</u>
<b>Total enterprise fund capital assets, net</b>	<u><b>\$ 84,962,702</b></u>			<u><b>\$ 85,576,672</b></u>

**NOTE 5 – SHORT-TERM AND LONG-TERM OBLIGATIONS – LOANS, NOTES AND BONDS PAYABLE**

**Public Housing Loans**

Public housing project debt is comprised of the following at June 30, 2009:

	<b>Principal</b>	<b>Interest</b>
Public housing notes – Federal Financing Bank	<u>\$ 750,172</u>	<u>\$ 179,807</u>
<b>Total</b>	<u><b>\$ 750,172</b></u>	<u><b>\$ 179,807</b></u>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 5 – SHORT-TERM AND LONG-TERM OBLIGATIONS – LOANS, NOTES AND BONDS PAYABLE (CONTINUED)**

To permanently finance certain public housing projects, the Authority issued notes to the Federal Financing Bank. These notes are payable in annual installments each November 1 until maturity in 2015, with interest at 6.6% and are secured by the projects' land, structures, and equipment. Debt service on the notes (principal and interest) is paid annually by HUD under Annual Contributions Contract P-184.

All principal and interest paid under the Annual Contributions Contracts by HUD is recorded as non-operating revenues in the basic financial statements.

**Notes Payable**

Notes payable consist of the following at June 30, 2009:

<b>Note Holder(s)</b>	<b>Terms</b>	<b>Outstanding Balance</b>
U.S. Dept. of Housing and Urban Development	Secured by Hopkins Glen rental property, bearing interest at 3%, maturing April 2010, principal and interest payments of \$4,073 monthly.	\$ 40,170
Bank of America	Secured by McLean Hills, Colchester Town and Springfield Green rental properties, bearing interest at 4.54%, maturing April 1, 2015, principal and interest payments of \$7,306 monthly.	448,563
Virginia Housing Development Authority	Secured by Minerva Fisher-Hall Group Home property, bearing interest at 8.07%, maturing June 1, 2019, principal and interest payments of \$3,063 monthly.	251,037
SunTrust Bank	Secured by the United Community Ministries (UCM) office building, bearing interest at 4.71%, maturing April 1, 2013, principal and interest payments of \$3,164 monthly.	132,975
U.S. Dept. of Housing and Urban Development	Section 108 notes secured by various Authority rental properties, bearing interest at 6.45% to 9.15%, maturing at varying dates through August 1, 2011, variable principal and interest payments due semiannually.	845,000
Virginia Housing Development Authority	Secured by Penderbrook rental property, bearing interest at 7.17%, maturing October 1, 2018, principal and interest payments of \$5,874 monthly.	478,624
The City of Fairfax	Unsecured funds provided by the City of Fairfax to the FCRHA for the purpose of making Home Improvement Loans (HILP) to City of Fairfax residences. These funds are only paid back to the City of Fairfax when the program is terminated.	47,221
United Bank	Secured by Faircrest North rental property, bearing interest at 6.21%, maturing December 1, 2021, principal and interest payments of \$3,056 monthly.	440,428

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 5 – SHORT-TERM AND LONG-TERM OBLIGATIONS – LOANS, NOTES AND BONDS**  
**PAYABLE (CONTINUED)**

**Notes Payable (continued)**

Note Holder(s)	Terms	Outstanding Balance
United Bank	Secured by Laurel Hill rental property, bearing interest at 6.21%, maturing December 1, 2021, principal and interest payments of \$3,056 monthly.	\$ 440,428
United Bank	Secured by the Courts of Westcott Ridge rental property, bearing interest at 6.21%, maturing December 1, 2021, principal and interest payments of \$4,023 monthly.	579,908
United Bank	Secured by Holly Acres rental property, bearing interest at 6.21%, maturing December 1, 2021, principal and interest payments of \$943 monthly.	135,899
United Bank	Secured by Legato Corner rental property, bearing interest at 6.21%, maturing December 1, 2021, principal and interest payments of \$5,472 monthly.	788,728
United Bank	Secured by Willow Oaks rental property, bearing interest at 6.21%, maturing December 1, 2021, principal and interest payments of \$3,345 monthly.	482,186
SunTrust Bank	Secured by a first deed of trust on Creghton Square Property a.k.a. Mondloch House and an assignment of all rents and lease payments related to the Project, bearing interest at 7.10%, maturing July 1, 2012, principal and interest payments of \$5,417 monthly.	179,522
Bank of America	Unsecured taxable line of credit up to \$5,000,000 to provide interim financing for projects under development, bearing interest at the 30-day LIBOR rate, plus 50 basis points, maturing December 31, 2009. The 30-day LIBOR rate was 0.82% at June 30, 2009.	445,000
SunTrust Bank	Secured by the LeLand Road Group Home property, bearing interest at 5.5%, maturing April 1, 2017, principal and interest payments of \$4,581 monthly.	348,611
Virginia Housing Development Authority	Secured by the West Ox Group Home Property, bearing interest at 8%, maturing October 1, 2022, principal and interest payments of \$6,176 monthly.	606,884
U.S. Dept. of Housing and Urban Development	Section 108 notes secured by various Authority rental properties, bearing interest at 3.73% to 7.90%, maturing at varying dates through August 1, 2013, variable principal and interest payments due semiannually.	575,000

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 5 – SHORT-TERM AND LONG-TERM OBLIGATIONS – LOANS, NOTES AND BONDS**  
**PAYABLE (CONTINUED)**

**Notes Payable (continued)**

Note Holder(s)	Terms	Outstanding Balance
U.S. Dept. of Housing and Urban Development	Section 108 notes secured by various Authority rental properties, bearing interest at 4.15% to 7.18%, maturing at varying dates through August 1, 2013, variable principal and interest payments due semiannually.	\$ 1,070,000
United Bank	Secured by the One University Plaza office and maintenance building, bearing interest at 5%, maturing February 1, 2014, principal and interest payments of \$2,827 monthly.	140,925
Virginia Housing Development Authority	Secured by the First Stop Group Home property, bearing interest at 7.61%, maturing March 1, 2025, principal and interest payments of \$3,234 monthly.	355,488
U.S. Dept. of Housing and Urban Development	Section 108 notes secured by various Authority rental properties, bearing interest at 5.36% to 7.66%, maturing at varying dates through August 1, 2015, variable principal and interest payments due semiannually.	175,000
U.S. Dept. of Housing and Urban Development	Section 108 notes secured by various Authority rental properties, bearing interest at 5.36% to 7.66%, maturing at varying dates through August 1, 2011, variable principal and interest payments due semiannually.	15,000
U.S. Dept. of Housing and Urban Development	Section 108 notes secured by various Authority rental properties, bearing interest at 1.21% to 5.39%, maturing at varying dates through August 1, 2017, variable principal and interest payments due semiannually.	324,000
SunTrust Bank	Secured by Hopkins Glen rental property, bearing interest at 4.33%, maturing October 1, 2016, principal and interest payments due monthly.	416,200
Federal Financing Bank	Unsecured note bearing interest at 6.6%, interest and principal payments in the amount of \$83,856, due annually, maturing November 1, 2012. Debt service on the note (principal and interest) is paid annually by HUD under Annual Contributions Contract P-184.	286,610
United Bank	Secured by East Market rental property, bearing interest at 6.14%, maturing December 1, 2022, principal and interest payments of \$619 monthly.	91,480
United Bank	Secured by East Market rental property, bearing interest at 6.14%, maturing December 1, 2022, principal and interest payments of \$1,130 monthly.	166,963
United Bank	Secured by Fair Oaks rental property, bearing interest at 6.14%, maturing December 1, 2022, principal and interest payments of \$1,857 monthly.	274,449

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 5 – SHORT-TERM AND LONG-TERM OBLIGATIONS – LOANS, NOTES AND BONDS PAYABLE (CONTINUED)**

**Notes Payable (continued)**

Note Holder(s)	Terms	Outstanding Balance
United Bank	Secured by Bryson at Woodland Park rental property, bearing interest at 6.14%, maturing December 1, 2022, principal and interest payments of \$2,033 monthly.	\$ 300,434
U.S. Dept. of Housing and Urban Development	Section 108 notes secured by property owned by the FCRHA Olley Glen, L.P. and bearing variable interest rates, initially on Libor plus 20 basis points. Loan is composed of two draws; draw one requires annual principal payments in addition to interest payments; draw two requires interest only payments through August 2011, and then the outstanding principal amount will be amortized over an eighteen years period.	<u>2,050,000</u>
<b>Total</b>		<u><u>\$ 12,932,733</u></u>

**Bonds Payable**

Bonds payable consist of the following at June 30, 2009:

	Outstanding Balance
On August 29, 1996, on behalf of the Little River Glen project, the Authority issued Federal Housing Authority insured mortgage revenue bonds with an original principal amount of \$6,340,000, and interest rates, which vary between 4.65% and 6.10%, with final payment due September 1, 2026, to advance refund the Elderly Bonds, Series 1989A, with an original principal amount of \$6,120,000 and interest rate of 8.95%. The land, buildings, and equipment of the Little River Glen project are pledged as security for the bonds. The old bonds were fully redeemed in fiscal year 1999.	\$ 4,985,000
In June 1998, the Authority issued Series 1998 Lease Revenue bonds with an original principal amount of \$3,630,000 and an interest rate of 4.71%, with final payment due June 15, 2018, to advance refund certain previously issued special limited obligation bonds. The new bonds are secured by the Authority's interest in payments under a lease agreement between the Authority and the County, whereby the Authority leases its Pender Drive Office building to the County, and a first deed of trust on the office building. Proceeds from the new bonds, along with other cash sources totaling approximately \$4,000,000 were placed in irrevocable escrow accounts to provide for all future debt service payments on the old bonds, which were fully redeemed in 2003.	2,055,000
In August 1997, on behalf of Herndon Harbor House I Limited Partnership, the Authority issued tax-exempt revenue bonds with a principal amount totaling \$2,875,000 and interest rate of 6.35% with final payment due July 1, 2027. The land, building, and equipment of the Herndon Harbor House I Limited Partnership are pledged as security for the bonds. Proceeds from the bonds were loaned to the Herndon Harbor House I Limited Partnership to finance a portion of the cost for the acquisition, construction, and equipping of the rental facility.	822,439

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 5 – SHORT-TERM AND LONG-TERM OBLIGATIONS – LOANS, NOTES AND BONDS**  
**PAYABLE (CONTINUED)**

**Bonds Payable (continued)**

In May 1999, on behalf of Herndon Harbor House II Limited Partnership, the Authority issued Series 1999A Multifamily Housing Revenue Bonds with a principal amount totaling \$2,000,000. The Series A, 1999 term bonds have an original principal amount of \$225,000 with an interest rate of 4.875% with final payment due May 1, 2009. The Series A, 1999 term bond has an original principal payment amount of \$1,775,000 with an interest rate of 6% with final payment due May 1, 2029. The land, building, and equipment of the Herndon Harbor House II Limited Partnership are pledged as security for the bonds. Proceeds from the bonds were loaned to the Herndon Harbor House II Limited Partnership to finance a portion of the cost for the acquisition, construction, and equipping of the rental facility.

\$ 1,730,560

In April 1998, on behalf of Castellani Meadows Limited Partnership, the Authority issued tax-exempt revenue bonds with a principal amount totaling \$1,700,000 and an interest rate of 5.25% with final payment due March 1, 2028. Prior to March 1, 2001, a principal payment in the amount of \$825,000 was due, at which time the interest rate changed to 6.15% per annum. The land, building, and equipment of the Castellani Meadows Limited Partnership are pledged as security for the bonds. Proceeds from the bonds were loaned to the Castellani Meadows Limited Partnership to finance a portion of the cost for the acquisition, construction, and equipping of the rental facility.

737,285

In March 2007, on behalf of Cedar Ridge Limited Partnership, the Authority issued a tax-exempt multi-family housing revenue bond with a principal amount totaling \$13,200,000 and an interest rate of 5.984% with final payment due October 1, 2048. Interest only is payable monthly through November 1, 2008. Beginning on December 1, 2008, monthly payments of principal and interest of \$72,481 are payable until the maturity date of the note. The note is collateralized by a first deed of trust on the rental property of the Cedar Ridge Limited Partnership. Proceeds from the bonds were loaned to the Cedar Ridge Limited Partnership to finance a portion of the cost for the acquisition, construction, and equipping of the rental facility.

13,137,860

In August 2008, on behalf of the FCRHA Olley Glen Limited Partnership, the Authority issued a tax-exempt multi-family housing revenue bond with a principal amount totaling \$12,220,000 and an average coupon rate of 5.37% with final payment due August 1, 2051. Interest only is payable monthly through July 1, 2011. Beginning August 1, 2011, monthly payments of principal and interest of \$28,455 are payable until the maturity date of the note. The note is collateralized by a first deed of trust on the senior rental property of the FCRHA Olley Glen Limited Partnership. Proceeds from the bonds were loaned to the FCRHA Olley Glen Limited Partnership to finance a portion of the cost for acquisition, construction, and equipping of the senior facility.

12,220,000

**Total**

**\$ 35,688,144**

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 5 – SHORT-TERM AND LONG-TERM OBLIGATIONS – LOANS, NOTES AND BONDS PAYABLE (CONTINUED)**

**Annual Principal Requirements**

Annual debt service requirements to maturity for bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ended June 30:		
2010	\$ 536,650	\$ 1,727,194
2011	568,442	1,697,865
2012	7,905,508	1,552,104
2013	668,298	1,403,669
2014	696,854	1,367,852
2015-2019	3,856,848	6,228,645
2020-2024	3,802,940	5,193,829
2025-2029	3,889,689	3,978,342
2030-2034	2,086,081	3,255,788
2035-2039	2,776,151	2,658,348
2040-2044	3,677,408	1,859,026
2045-2049	4,283,275	803,149
2050-2054	<u>940,000</u>	<u>93,581</u>
<b>Total</b>	<b><u>\$ 35,688,144</u></b>	<b><u>\$ 31,819,392</u></b>

Annual debt service requirements to maturity for notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ended June 30:		
2010	\$ 1,760,253	\$ 649,654
2011	1,348,939	565,089
2012	1,373,070	469,188
2013	1,081,029	448,696
2014	780,252	397,926
2015-2019	2,330,618	1,515,871
2020-2024	3,534,069	632,612
2025-2029	599,113	76,922
2030-2034	<u>125,390</u>	<u>4,012</u>
<b>Total</b>	<b><u>\$ 12,932,733</u></b>	<b><u>\$ 4,759,970</u></b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 5 – SHORT-TERM AND LONG-TERM OBLIGATIONS – LOANS, NOTES AND BONDS PAYABLE (CONTINUED)**

Annual debt service requirements to maturity for Public Housing Loan is as follows:

	<u>Principal</u>	<u>Interest</u>
Year ended June 30:		
2010	\$ 115,814	\$ 49,511
2011	123,457	41,868
2012	131,606	33,719
2013	140,223	25,102
2014	87,624	15,779
2015-2019	<u>151,448</u>	<u>13,828</u>
<b>Total</b>	<u><u>\$ 750,172</u></u>	<u><u>\$ 179,807</u></u>

**Changes in Short-Term and Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 23,948,772	\$ 12,220,000	\$ 480,628	\$ 35,688,144	\$ 536,650
Notes payable - long-term	11,629,791	2,050,000	1,192,058	12,487,733	1,315,253
Notes payable - short-term	-	445,000	-	445,000	445,000
Public housing loans	<u>923,669</u>	<u>-</u>	<u>173,497</u>	<u>750,172</u>	<u>115,814</u>
<b>Total</b>	<u><u>\$ 36,502,232</u></u>	<u><u>\$ 14,715,000</u></u>	<u><u>\$ 1,846,183</u></u>	<u><u>\$ 49,371,049</u></u>	<u><u>\$ 2,412,717</u></u>

**NOTE 6 – CHANGES IN COMPENSATED ABSENCES PAYABLE**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences payable	\$ 1,007,591	\$ 581,123	\$ 459,521	\$ 1,129,193	\$ 521,391

**NOTE 7 – TAX CREDIT LIMITED PARTNERSHIPS**

The tax credit program is the result of Federal legislation that allows investors certain incentives for investing in low-income housing. Under terms of the federal tax code and extended use agreements with the State of Virginia, the buildings must continue to serve the targeted population for 30 years; after 15 years the Authority has the option to purchase the property from the partnership.



**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 7 – TAX CREDIT LIMITED PARTNERSHIPS (CONTINUED)**

Tax Credit Limited Partnerships are created to finance and own affordable housing. The Authority acts as Managing General Partner of each partnership. Although each tax credit limited partnership is structured differently, they are generally financed via loans to the partnership, contributions of equity by the general and limited partners, and other sources. In some transactions, the Authority issues bonds and loans the proceeds to the tax credit limited partnership. Tax-exempt bond issuances are secured by the underlying partnership real estate and, in some cases, by the general revenues of the Authority. The Authority may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects.

**NOTE 8 – CONDUIT DEBT**

The Authority is empowered by the Commonwealth of Virginia to issue tax-exempt bonds on behalf of qualified businesses to develop or rehabilitate low income housing within the County. Principal and interest on the tax-exempt bonds is paid entirely by the owners of the properties, which have entered into binding contracts to develop or rehabilitate the subject property. The terms of the tax-exempt bonds stipulate that neither the Authority, nor the County, guarantee the repayment of principal and interest to the bondholders. The bondholders' sole remedy in the event of default on the tax-exempt bonds is the subject property and third-party beneficiaries. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, the cumulative total of bonds outstanding under the Authority's name was approximately \$90,078,359.

From 1996 through 2003, the FCRHA issued a total of \$15,420,000 of lease revenue bonds for the purpose of financing the construction, renovation, and expansion of Mott Community Center, and Gum Springs Community Center, Baileys Community Center, the construction of Herndon Harbor II Adult Day Care Center, and Gum Springs Glen Head Start facility for child care and ancillary training programs. As of June 30, 2009, the cumulative balance of the above bonds outstanding was \$9,132,944. In August 2004, the FCRHA issued \$10,870,000 of lease revenue bonds to finance the construction and renovation of the James Lee Community Center. As of June 30, 2009, the outstanding principal balance of these bonds was \$7,245,000. In June 2005, the FCRHA issued bonds in the amount of \$8,105,000 to finance the construction of the Herndon Harbor House Senior Center. As of June 30, 2009, the outstanding principal balance of this bond was \$4,860,000. In July 2006, the FCRHA issued \$8,065,000 of lease revenue bonds to finance the construction of the Braddock Glen Adult Day Health Care Center and Southgate Neighborhood Community Center. As of June 30, 2009, the outstanding principal balance of this bond was \$4,745,000. As the County is responsible, under the related documents and subject to annual appropriation, to make payments to a trustee sufficient to pay principal and interest on these bonds, the related transactions, including the liability for these bonds, have been recorded in the County's financial statements and not on those of the FCRHA.

In addition, in March 1997, the Authority facilitated a \$345,000 Federal HOME loan between the County and the Tavenner Lane Limited Partnership. Funds paid by Tavenner are deposited directly into the County's bank account. Accordingly, the loan is not reported as a receivable in the accompanying financial statements. At December 31, 2008, the outstanding balance of the loan was \$271,528.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 8 – CONDUIT DEBT (CONTINUED)**

On February 16, 2006, the Authority issued a \$40,600,000 bond anticipation note (BAN) to partially finance the purchase of a multi-family rental housing complex as part of the County's affordable housing initiative. The note matured on February 15, 2007, and was repaid through the issuance of another note and funding available in the County's Penny for Affordable Housing capital projects fund. On February 13, 2007, the Authority issued the \$40,465,000 refunding BAN. The note matured on February 12, 2008, and was repaid through the issuance of a long-term note and funding available in the County's Penny for Affordable Housing capital projects fund. In February 2008, the Authority issued a \$37,615,000 refunding BAN. The long-term note matures on March 1, 2013. The note may be redeemed prior to maturity.

On November 28, 2007, the FCRHA issued a \$105,485,000 bond anticipation note to finance a portion of the purchase price of a multi-family rental housing property as part of the County's affordable housing initiative. The note matured on October 9, 2008, and was repaid through the issuance of another note and funding available in the County's Penny for Affordable Housing capital projects fund. On October 6, 2008, the FCRHA issued the \$104,105,000 refunding bond anticipation note. The note bears interest at 2.44 percent and matures on October 1, 2009. As the County is responsible, under the related documents and subject to appropriation, to pay the principal and interest on the note at maturity, the related transactions, including the liability for the note, have been recorded in the County's financial statements and not in those of the FCRHA. The note is not a general obligation debt of the County, and the full faith and credit of the County is not pledged to the note.

**NOTE 9 – CONTINGENCIES**

The Authority, as the general partner of the tax credit limited partnerships reported as discretely presented component units, is responsible for ensuring that the partnerships maintain the properties as qualified low income housing projects for a period of 15 years (the tax credit compliance period). In the event that the qualified status of the properties is not maintained for the full period of 15 years, the Authority is contingently liable for the payment of certain special distributions to the limited partners. The amount of these distributions, if any, is to be determined using a formula based on the amount of tax credits that are disallowed. The maximum amount of this distribution is not to exceed the amount contributed by the limited partners to the partnership, plus any penalties and interest costs incurred as a result of the disqualification.

The Authority originated various deferred loans to the limited partnerships to help build, acquire or rehabilitate properties. The funding source for these loans include the federal Community Development Block Grant program, HOME program, and other County or FCRHA funds. The loans, along with accrued interest, are due and payable to the FCRHA well beyond the tax compliance period, year sixteen, of the partnerships. As a result, the loans are anticipated to be defeased at the end of the tax compliance period, as the partnership conveys to the Authority, as General Partner, the non-cash, market value of the property for the Authority's use.

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 9 – CONTINGENCIES (CONTINUED)**

In addition, on August 7, 2000, the Authority entered into a guaranty agreement with SunTrust Community Development Corporation (SunTrust) in order to induce SunTrust to make a loan of \$400,000 to The Green Limited Partnership. The guarantee is for the balance of the loan, which was \$361,531 as of December 31, 2008. In addition, SunTrust has collateralized their loan with the first deed of trust on this property.

The Authority receives grant funds, principally from the federal government, for various programs. Certain expenses of these funds are subject to audit by the grantor and the reporting entity is contingently liable to refund amounts received in excess of allowable expenses. The management of the Authority believes that any possible disallowed expenses arising from such an audit, if any, would not have a material adverse impact on the Authority's net assets as of June 30, 2009.

**NOTE 10 – RISK MANAGEMENT**

The FCRHA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and citizens; and natural disasters. For all of these risks, the FCRHA participates in the County's insurance program, which includes self-insurance and the purchase of certain commercial insurance policies, the costs of which are borne by the County. There were no claim settlements in excess of insurance coverage in any of the past three fiscal years. Information regarding the County's insurance program is available in the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009.

**NOTE 11 – RETIREMENT PLANS**

Employees of the Authority participate in the Fairfax County Employees' Retirement System (System), which covers substantially all County employees who are not members of the Virginia Retirement System or other County-funded retirement plans. Employee contributions to the System for the year ended June 30, 2009, are either 4.0% or 5.33% of salary, depending on the plan selected by the employee. The County funds the remaining portion required to meet the actuarially determined funding requirements. Data concerning the amounts contributed by the County for employees of the Authority, accumulated pension benefit liability, and net assets specifically applicable to employees of the Authority are not available. Information concerning the System as a whole is available in the County's June 30, 2009 Comprehensive Annual Financial Report.

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS**

The Fairfax County OPEB Trust Fund is a single-employer defined benefit plan administered by Fairfax County which the Project's employees participate. The County provides medical/dental, vision, and life insurance benefits to eligible retirees and their spouses. In order to participate, retirees must have reached the age of 55 or be on disability retirement and must have health

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

benefit coverage in a plan provided by the County. Retirees must have five years of service in order to participate in this program. Beginning in fiscal year 2004, the amount of monthly subsidy provided by the County is based on years of service and ranges from \$30 per month to \$220 per month. Retirees receiving the subsidy prior to fiscal year 2004 are grandfathered at \$100 per month unless their years of service entitle them to receive a higher monthly subsidy.

In addition, the Board of Supervisors has established a program to subsidize the continuation of term life insurance, at reduced coverage amounts, for retirees. Retirees generally pay for fifty percent of their coverage amounts at age-banded premium rates, with the County incurring the balance of the cost. Benefit provisions are established and may be amended by the Board of Supervisors.

The contributions to the OPEB Trust Fund are established and may be amended by the Board of Supervisors. The contributions are typically based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. GASB Statement No. 45 requires recognition of the current expense of OPEB based on each governing body's annual required contribution, but does not require funding of the related liability.

Costs and related liability, if any, are recorded by the County. The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Data concerning the ARC specifically applicable to employees of the Authority are not available. Information concerning the County's OPEB Trust Fund as a whole is available in the County's June 30, 2008 Comprehensive Annual Financial Report.

**NOTE 13 – RELATED PARTY TRANSACTIONS**

The Authority is a General Partner and holds 0.01% to 1% interest in each of the following limited partnerships (see note 4). Summarized partnership information for the year ended December 31, 2008 is as follows:

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 13 – RELATED PARTY TRANSACTIONS (CONTINUED)**

	<u>Castellani Meadows</u>	<u>Gum Springs Glen</u>	<u>Herndon Harbor House</u>	<u>Herndon Harbor House II</u>	<u>Morris Glen</u>	<u>FCRHA HCDC Two</u>	<u>FCRHA HCDC One</u>	<u>Tavenner Lane</u>	<u>Cedar Ridge</u>	<u>The Green</u>	<u>Total</u>
<b>ASSETS</b>											
<b>ASSETS</b>											
Cash, restricted cash and investments	\$ 312,876	\$ 544,376	\$ 1,147,713	\$ 496,243	\$ 279,940	\$ 1,624,316	\$ 1,897,596	\$ 752,001	\$ 1,800,632	\$ 1,151,475	\$ 10,007,168
Accounts receivable, prepaid expenses, and other assets	44,243	36,016	38,276	92,015	3,168	106,474	58,483	13,484	910,782	47,249	1,350,190
Investments in real estate - net	<u>2,159,467</u>	<u>5,156,151</u>	<u>4,266,805</u>	<u>5,281,727</u>	<u>2,751,561</u>	<u>6,531,151</u>	<u>8,187,856</u>	<u>2,497,936</u>	<u>18,377,551</u>	<u>3,198,450</u>	<u>58,408,655</u>
<b>TOTAL</b>	<b><u>\$ 2,516,586</u></b>	<b><u>\$ 5,736,543</u></b>	<b><u>\$ 5,452,794</u></b>	<b><u>\$ 5,869,985</u></b>	<b><u>\$ 3,034,669</u></b>	<b><u>\$ 8,261,941</u></b>	<b><u>\$ 10,143,935</u></b>	<b><u>\$ 3,263,421</u></b>	<b><u>\$ 21,088,965</u></b>	<b><u>\$ 4,397,174</u></b>	<b><u>\$ 69,766,013</u></b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>											
<b>LIABILITIES</b>											
Other liabilities	\$ 848,077	\$ 568,117	\$ 640,366	\$ 613,636	\$ 251,256	\$ 1,441,145	\$ 1,938,042	\$ 18,844	\$ 389,992	\$ 620,583	\$ 7,330,058
Liabilities related to investment in real estate	1,974,812	2,666,956	4,334,940	4,812,207	2,592,527	4,320,057	4,334,777	3,177,617	16,136,998	1,725,039	46,075,930
<b>PARTNERS' CAPITAL (DEFICIT)</b>	<u>(306,303)</u>	<u>2,501,470</u>	<u>477,488</u>	<u>444,142</u>	<u>190,886</u>	<u>2,500,739</u>	<u>3,871,116</u>	<u>66,960</u>	<u>4,561,975</u>	<u>2,051,552</u>	<u>16,360,025</u>
<b>TOTAL</b>	<b><u>\$ 2,516,586</u></b>	<b><u>\$ 5,736,543</u></b>	<b><u>\$ 5,452,794</u></b>	<b><u>\$ 5,869,985</u></b>	<b><u>\$ 3,034,669</u></b>	<b><u>\$ 8,261,941</u></b>	<b><u>\$ 10,143,935</u></b>	<b><u>\$ 3,263,421</u></b>	<b><u>\$ 21,088,965</u></b>	<b><u>\$ 4,397,174</u></b>	<b><u>\$ 69,766,013</u></b>
<b>INCOME</b>											
Rental	\$ 228,023	\$ 512,186	\$ 528,977	\$ 531,602	\$ 489,649	\$ 1,284,209	\$ 1,526,967	\$ 186,682	\$ 2,205,824	\$ 497,776	\$ 7,991,895
Other	<u>112,941</u>	<u>63,364</u>	<u>45,615</u>	<u>40,234</u>	<u>30,889</u>	<u>210,251</u>	<u>334,641</u>	<u>74,139</u>	<u>228,401</u>	<u>300,912</u>	<u>1,441,387</u>
Total income	<u>340,964</u>	<u>575,550</u>	<u>574,592</u>	<u>571,836</u>	<u>520,538</u>	<u>1,494,460</u>	<u>1,861,608</u>	<u>260,821</u>	<u>2,434,225</u>	<u>798,688</u>	<u>9,433,282</u>
<b>EXPENSES</b>											
Property	220,080	413,439	349,393	387,271	345,816	1,326,984	1,520,635	119,408	1,310,289	500,394	6,493,709
Property management	11,549	26,700	26,700	26,000	26,707	77,235	76,105	9,682	78,828	35,432	394,938
Legal and accounting	13,998	12,912	14,958	12,300	12,660	16,014	17,951	10,289	18,591	13,519	143,192
Interest expense	95,735	136,873	149,395	167,784	94,780	105,105	107,700	152,050	927,041	74,265	2,010,728
Depreciation and amortization	<u>117,678</u>	<u>147,329</u>	<u>146,968</u>	<u>199,093</u>	<u>206,232</u>	<u>338,188</u>	<u>518,786</u>	<u>77,180</u>	<u>473,018</u>	<u>140,574</u>	<u>2,365,046</u>
Total expenses	<u>459,040</u>	<u>737,253</u>	<u>687,414</u>	<u>792,448</u>	<u>686,195</u>	<u>1,863,526</u>	<u>2,241,177</u>	<u>368,609</u>	<u>2,807,767</u>	<u>764,184</u>	<u>11,407,613</u>
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION</b>	<b><u>\$ (118,076)</u></b>	<b><u>\$ (161,703)</u></b>	<b><u>\$ (112,822)</u></b>	<b><u>\$ (220,612)</u></b>	<b><u>\$ (165,657)</u></b>	<b><u>\$ (369,066)</u></b>	<b><u>\$ (379,569)</u></b>	<b><u>\$ (107,788)</u></b>	<b><u>\$ (373,542)</u></b>	<b><u>\$ 34,504</u></b>	<b><u>\$ (1,974,331)</u></b>

This information is an integral part of the accompanying financial statements.

## **SUPPLEMENTAL INFORMATION**

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 1 – PHA FINANCIAL DATA**  
**June 30, 2009**

Line Item No.	Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
<b>Balance Sheet</b>							
111	Cash-unrestricted	\$ 5,689,594	\$ 40,581,461	\$ 640,636	\$ 46,911,691	-\$574,277	\$ 46,337,414
112	Cash-restricted-modernization and development	-	451,447	-	451,447	-	451,447
113	Cash-other restricted	-	8,027,336	-	8,027,336	-	8,027,336
114	Cash-tenant security deposits	369,793	1,298,763	-	1,668,556	-	1,668,556
115	Cash - Restricted for payment of current liability	-	178,792	-	178,792	-	178,792
100	<b>Total Cash</b>	<b>\$ 6,059,387</b>	<b>\$ 50,537,799</b>	<b>\$ 640,636</b>	<b>\$ 57,237,822</b>	<b>\$ (574,277)</b>	<b>\$ 56,663,545</b>
121	Accounts receivable - PHA projects	-	167,223	-	167,223	-	167,223
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	222,516	-	-	222,516	-	222,516
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	-	-
122	<b>Accounts receivable - HUD other projects</b>	<b>222,516</b>	<b>-</b>	<b>-</b>	<b>222,516</b>	<b>-</b>	<b>222,516</b>
124	Account receivable - other government	-	296,970	-	296,970	-	296,970
125-010	Account receivable - miscellaneous - Not For Profit	-	-	-	-	-	-
125-020	Account receivable - miscellaneous - Partnership	-	-	-	-	-	-
125-030	Account receivable - miscellaneous - Joint Venture	-	-	-	-	-	-
125-040	Account receivable - miscellaneous - Tax Credit	-	-	-	-	-	-
125-050	Account receivable - miscellaneous - Other	-	2,669,822	-	2,669,822	-	2,669,822
125-060	Other - Comment	-	-	-	-	-	-
125	<b>Account receivable - miscellaneous</b>	<b>-</b>	<b>2,894,955</b>	<b>-</b>	<b>2,894,955</b>	<b>-\$1,446,581</b>	<b>1,448,374</b>
126	Accounts receivable - tenants	44,844	300,536	-	345,380	-	345,380
126.1	Allowance for doubtful accounts - tenants	(10,932)	(113,180)	-	(124,112)	-	(124,112)
126.2	Allowance for doubtful accounts - other	-	(16,501)	-	(16,501)	-	(16,501)
127	Notes, Loans, & Mortgages Receivable - Current	-	431,651	-	431,651	-	431,651
128	Fraud recovery	-	330,292	-	330,292	-	330,292
128.1	Allowance for doubtful accounts - fraud	-	(178,167)	-	(178,167)	-	(178,167)
129	Accrued interest receivable	8,810	160,670	10,772	180,252	-	180,252
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>265,238</b>	<b>4,274,449</b>	<b>10,772</b>	<b>4,550,459</b>	<b>(1,446,581)</b>	<b>3,103,878</b>
131	Investments - unrestricted	-	3,590,000	-	3,590,000	-	3,590,000
132	Investments - restricted	-	1,366,000	-	1,366,000	-	1,366,000
135	Investments - Restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	3,317,468	-	3,317,468	-	3,317,468
143	Inventories	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Inter program - due from	-	-	-	-	-	-
145	Assets held for sale	-	1,787,884	-	1,787,884	-	1,787,884
150	<b>Total Current Assets</b>	<b>6,324,625</b>	<b>64,873,600</b>	<b>651,408</b>	<b>71,849,633</b>	<b>(2,020,858)</b>	<b>69,828,775</b>
161	Land	10,105,677	29,723,042	-	39,828,719	-	39,828,719
162	Buildings	62,127,506	130,552,278	363,439	193,043,223	-	193,043,223
163	Furniture, equipment and machinery - dwellings	269,518	1,036,365	-	1,305,883	-	1,305,883
164	Furniture, equipment and machinery - administration	-	-	178,137	178,137	-	178,137
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	(45,252,464)	(50,384,094)	(213,105)	(95,849,663)	-	(95,849,663)
167	Construction in progress	5,479,028	-	-	5,479,028	-	5,479,028
168	Infrastructure	-	-	-	-	-	-
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>32,729,265</b>	<b>110,927,591</b>	<b>328,471</b>	<b>143,985,327</b>	<b>-</b>	<b>143,985,327</b>
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-	-
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-	-
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	-	-	-	-	-	-
171-050	Notes, Loans, & mortgages receivable - Non-current - Other	-	31,366,593	-	31,366,593	-	31,366,593
171-060	Other - Comment	-	-	-	-	-	-
171	<b>Notes, Loans, &amp; mortgages receivable – Non-current</b>	<b>-</b>	<b>31,366,593</b>	<b>-</b>	<b>31,366,593</b>	<b>-</b>	<b>31,366,593</b>
172	<b>Notes, Loans, &amp; mortgages receivable – Non-current - past due</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
173	Grants receivable – Non-current	-	-	-	-	-	-
174-010	Other assets - Not For Profit	-	-	-	-	-	-
174-020	Other assets - Partnership	-	-	-	-	-	-
174-030	Other assets - Joint Venture	-	-	-	-	-	-
174-040	Other assets - Tax Credit	-	-	-	-	-	-
174-050	Other assets - Other	-	25,278	-	25,278	-	25,278
174-060	Other - Comment	-	-	-	-	-	-
174	<b>Other assets</b>	<b>-</b>	<b>1,013,579</b>	<b>-</b>	<b>1,013,579</b>	<b>-</b>	<b>1,013,579</b>
176	Investment in joint venture	-	-	-	-	-	-
180	<b>Total Non-current Assets</b>	<b>32,729,265</b>	<b>143,307,763</b>	<b>328,471</b>	<b>176,365,499</b>	<b>-</b>	<b>176,365,499</b>
190	<b>Total Assets</b>	<b>\$ 39,053,890</b>	<b>\$ 208,181,363</b>	<b>\$ 979,879</b>	<b>\$ 248,215,132</b>	<b>\$ (2,020,858)</b>	<b>\$ 246,194,274</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 1 – PHA FINANCIAL DATA**  
**June 30, 2009**

Line Item No.	Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
<b>Balance Sheet</b>							
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable <= 90 days	190,037	2,404,065	4,654	2,598,756	-	2,598,756
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	32,220	490,557	182,571	705,348	-	705,348
322	Accrued compensated absences - current portion	20,468	356,702	144,221	521,391	-	521,391
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	33,007	156,157	-	189,164	-	189,164
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	-	-	-	-	-	-
331-020	Accounts payable - HUD PHA Programs - Capital fund	-	-	-	-	-	-
331-030	Accounts payable - HUD PHA Programs - Other	-	-	-	-	-	-
331	<b>Accounts payable - HUD PHA Programs</b>	-	<b>44,846</b>	-	<b>44,846</b>	-	<b>44,846</b>
332	Accounts payable - PHA Projects	-	-	-	-	-	-
333	Accounts payable - other government	-	2,830,674	-	2,830,674	(2,020,858)	809,816
341	Tenant security deposits	369,793	1,298,763	-	1,668,556	-	1,668,556
342-010	Deferred revenue - Operating Subsidy	-	-	-	-	-	-
342-020	Deferred revenue - Capital fund	-	-	-	-	-	-
342-030	Deferred revenue - Other	179,353	-	-	179,353	-	179,353
342	<b>Deferred revenue</b>	<b>179,353</b>	<b>1,287,020</b>	-	<b>1,466,373</b>	-	<b>1,466,373</b>
343-010	CFFP	-	-	-	-	-	-
343-020	Capital Projects/ Mortgage Revenue	115,814	-	-	115,814	-	115,814
343	<b>Current portion of long-term debt - capital projects/mortgage revenue bonds</b>	<b>115,814</b>	<b>3,877,530</b>	-	<b>3,993,344</b>	-	<b>3,993,344</b>
344	Current portion of long-term debt - operating borrowings	-	1,412,589	-	1,412,589	-	1,412,589
345	Other current liabilities	34,071	372,190	-	406,261	-	406,261
346	Accrued liabilities - other	135,724	386,103	-	521,827	-	521,827
347	Inter program - due to	-	-	-	-	-	-
348	<b>Loan liability - current</b>	-	-	-	-	-	-
310	<b>Total Current Liabilities</b>	<b>1,110,487</b>	<b>14,917,196</b>	<b>331,446</b>	<b>16,359,129</b>	<b>(2,020,858)</b>	<b>14,338,271</b>
351-010	Long-term debt - CFFP	-	-	-	-	-	-
351-020	Long-term - Capital Projects/ Mortgage Revenue	634,358	-	-	634,358	-	634,358
351	<b>Capital Projects/ Mortgage Revenue Bonds</b>	<b>634,358</b>	<b>60,409,160</b>	-	<b>61,043,518</b>	-	<b>61,043,518</b>
352	Long-term debt, net of current - operating borrowings	-	31,018,386	-	31,018,386	-	31,018,386
353	Non-current liabilities - other	-	2,638,316	-	2,638,316	-	2,638,316
354	Accrued compensated absences- Non-current	17,024	425,748	165,030	607,802	-	607,802
355	<b>Loan liability – Non-current</b>	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-
357	Accrued Pension and OPEB Liability	-	-	-	-	-	-
350	<b>Total Non-current liabilities</b>	<b>651,382</b>	<b>94,491,610</b>	<b>165,030</b>	<b>95,308,022</b>	-	<b>95,308,022</b>
300	<b>Total Liabilities</b>	<b>1,761,869</b>	<b>109,408,806</b>	<b>496,476</b>	<b>111,667,151</b>	<b>(2,020,858)</b>	<b>109,646,293</b>
508.1	Invested in capital assets, net of related debt	31,979,093	46,640,901	328,471	78,948,465	-	78,948,465
511.1	Restricted Net Assets	-	12,131,786	-	12,131,786	-	12,131,786
512.1	Unrestricted Net Assets	5,312,928	39,999,870	154,932	45,467,730	-	45,467,730
513	<b>Total Equity/Net Assets</b>	<b>37,292,021</b>	<b>98,772,557</b>	<b>483,403</b>	<b>136,547,981</b>	-	<b>136,547,981</b>
600	<b>Total Liabilities and Equity/Net assets</b>	<b>\$ 39,053,890</b>	<b>\$ 208,181,363</b>	<b>\$ 979,879</b>	<b>\$ 248,215,132</b>	<b>\$ (2,020,858)</b>	<b>\$ 246,194,274</b>



**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 1 – PHA FINANCIAL DATA**  
**June 30, 2009**

Line Item No.	Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
<b>Income Statement</b>							
70300	Net tenant rental revenue	\$ 4,853,575.00	\$ 27,538,648.00	\$ -	\$ 32,392,223.00	\$ -	\$ 32,392,223.00
70400	Tenant revenue - other	244,758	366,801	-	611,559	-	611,559
70500	Total Tenant Revenue	5,098,333	27,905,449	-	33,003,782	-	33,003,782
70600-010	Housing assistance payments	-	36,286,864	-	36,286,864	-	36,286,864
70600-020	Ongoing administrative fees earned	-	3,036,821	-	3,036,821	-	3,036,821
70600-030	Hard to house fee revenue	-	-	-	-	-	-
70600-031	FSS Coordinator	-	32,750	-	32,750	-	32,750
70600-040	Actual independent public accountant audit costs	-	-	-	-	-	-
70600-050	Total preliminary fees earned	-	-	-	-	-	-
70600-060	All other fees	-	-	-	-	-	-
70600-070	Admin fee calculation description	-	-	-	-	-	-
70600	<b>HUD PHA operating grants</b>	<b>3,327,388</b>	<b>39,816,004</b>	<b>-</b>	<b>43,143,392</b>	<b>-\$218,572</b>	<b>42,924,820</b>
70610	Capital grants	2,628,255	-	-	2,628,255	-	2,628,255
70710	Management Fee	-	-	875,712	875,712	(875,712)	-
70720	Asset Management Fee	-	-	120,360	120,360	(120,360)	-
70730	Book-Keeping Fee	-	-	89,204	89,204	(89,204)	-
70740	Front Line Service Fee	-	-	56,045	56,045	(56,045)	-
70750	Other Fees	-	-	-	-	-	-
70700	<b>Total Fee Revenue</b>	<b>-</b>	<b>-</b>	<b>1,141,321</b>	<b>1,141,321</b>	<b>(1,141,321)</b>	<b>-</b>
70800	Other government grants	-	3,334,321	-	3,334,321	(32,341)	3,301,980
71100-010	Housing Assistance Payment	-	32,994	-	32,994	-	32,994
71100-020	Administrative Fee	-	3,364	-	3,364	-	3,364
71100	<b>Investment income - unrestricted</b>	<b>109,404</b>	<b>726,327</b>	<b>-</b>	<b>835,731</b>	<b>-</b>	<b>835,731</b>
71200	Mortgage interest income	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-
71400-010	Housing Assistance Payment	-	92,834	-	92,834	-	92,834
71400-020	Administrative Fee	-	92,834	-	92,834	-	92,834
71400	<b>Fraud recovery</b>	<b>-</b>	<b>185,668</b>	<b>-</b>	<b>185,668</b>	<b>-</b>	<b>185,668</b>
71500	Other revenue	52,459	8,237,723	-	8,290,182	(4,327,601)	3,962,581
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-
72000-010	Housing Assistance Payment	-	-	-	-	-	-
72000-020	Administrative Fee	-	-	-	-	-	-
72000	<b>Investment income - restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
70000	<b>Total Revenue</b>	<b>11,215,839</b>	<b>80,205,492</b>	<b>1,141,321</b>	<b>92,562,652</b>	<b>(5,719,835)</b>	<b>86,842,817</b>
91100	Administrative salaries	235,199	9,087,961	300,803	9,623,963	-	9,623,963
91200	Auditing fees	-	205,698	41,000	246,698	-	246,698
91300	Management Fee	875,712	-	-	875,712	(875,712)	-
91310	Book-Keeping Fee	89,204	-	-	89,204	(89,204)	-
91400	Advertising and Marketing	-	10,753	2,782	13,535	-	13,535
91500	Employee benefit contributions - administrative	3,787	2,095,864	63,742	2,163,393	-	2,163,393
91600	Office Expenses	5,927	2,994,941	106,347	3,107,215	-	3,107,215
91700	Legal Expense	15,850	33,787	9,126	58,763	-	58,763
91800	Travel	-	3,556	16,045	19,601	-	19,601
91810	Allocated Overhead	-	-	-	-	-	-
91900	Other	461,346	1,301,719	252,911	2,015,976	(218,572)	1,797,404
91000	<b>Total Operating-Administrative</b>	<b>1,687,025</b>	<b>15,734,279</b>	<b>792,756</b>	<b>18,214,060</b>	<b>(1,183,488)</b>	<b>17,030,572</b>
92000	Asset Management Fee	120,360	-	-	120,360	(120,360)	-
92100	Tenant services - salaries	49,290	-	-	49,290	-	49,290
92200	Relocation Costs	46,563	-	-	46,563	-	46,563
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-
92400	Tenant services - other	37,801	74,825	-	112,626	-	112,626
92500	<b>Total Tenant Services</b>	<b>133,654</b>	<b>74,825</b>	<b>-</b>	<b>208,479</b>	<b>-</b>	<b>208,479</b>
93100	Water	391,758	387,183	-	778,941	-	778,941
93200	Electricity	1,030,501	1,416,896	-	2,447,397	-	2,447,397
93300	Gas	438,470	1,230,207	-	1,668,677	-	1,668,677
93400	Fuel	63,199	-	-	63,199	-	63,199
93500	Labor	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-
93700	Employee benefit contributions - utilities	-	-	-	-	-	-
93800	Other utilities expense	85,025	1,278	42,998	129,301	-	129,301
93000	<b>Total Utilities</b>	<b>2,008,953</b>	<b>3,035,564</b>	<b>42,998</b>	<b>5,087,515</b>	<b>-</b>	<b>5,087,515</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 1 – PHA FINANCIAL DATA**  
**June 30, 2009**

Line Item No.	Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
<b>Income Statement</b>							
94100	Ordinary maintenance and operations - labor	2,062,844	1,642,032	129,314	3,834,190	(56,045)	3,778,145
94200	Ordinary maintenance and operations - materials and other	167,364	7,667,202	589	7,835,155	(3,893,889)	3,941,266
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	32,510	140,322	-	172,832	-	172,832
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	905	61,356	-	62,261	-	62,261
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	-	-	-	-	-	-
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts	-	-	-	-	-	-
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	190,049	-	-	190,049	-	190,049
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	469,315	203,244	22,679	695,238	-	695,238
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	25	-	-	25	-	25
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	48,383	-	-	48,383	-	48,383
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	18,275	-	-	18,275	-	18,275
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	-	-	-	-	-	-
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	307,962	-	-	307,962	-	307,962
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	236,722	1,815,505	3,327	2,055,554	-	2,055,554
94300	<b>Ordinary Maintenance and Operations Contracts</b>	<b>1,304,146</b>	<b>2,220,427</b>	<b>26,006</b>	<b>3,550,579</b>	-	<b>3,550,579</b>
94500	Employee benefit contribution - ordinary maintenance	551,909	384,450	72,703	1,009,062	-	1,009,062
94000	<b>Total Maintenance</b>	<b>4,086,263</b>	<b>11,914,111</b>	<b>228,612</b>	<b>16,228,986</b>	<b>(3,949,934)</b>	<b>12,279,052</b>
95000	<b>Total Protective Services</b>	-	-	-	-	-	-
96110	Property Insurance	-	10,450	-	10,450	-	10,450
96120	Liability Insurance	-	-	-	-	-	-
96130	Workmen's Compensation	-	-	-	-	-	-
96140	All other Insurance	-	-	-	-	-	-
96100	<b>Total Insurance Premiums</b>	-	<b>10,450</b>	-	<b>10,450</b>	-	<b>10,450</b>
96200	Other general expenses	8,662	487,363	1,558	497,583	(466,053)	31,530
96210	Compensated absences	50,912	45,794	69,004	165,710	-	165,710
96300	Payments in lieu of taxes	-	582,900	-	582,900	-	582,900
96400	Bad debt - tenant rents	36,626	208,988	-	245,614	-	245,614
96500	Bad debt - mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	<b>Total Other General Expenses</b>	<b>96,200</b>	<b>1,325,045</b>	<b>70,562</b>	<b>1,491,807</b>	<b>(466,053)</b>	<b>1,025,754</b>
96710	Interest of Mortgage (or Bonds) Payable	56,458	3,115,018	-	3,171,476	-	3,171,476
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-
96700	<b>Total Interest Expense and Amortization Cost</b>	<b>56,458.00</b>	<b>3,115,018.00</b>	-	<b>3,171,476</b>	-	<b>3,171,476</b>
96900	<b>Total Operating Expenses</b>	<b>8,188,913</b>	<b>35,209,292</b>	<b>1,134,928</b>	<b>44,533,133</b>	<b>(5,719,835)</b>	<b>38,813,298</b>
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>3,026,926</b>	<b>44,996,200</b>	<b>6,393</b>	<b>48,029,519</b>	-	<b>48,029,519</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 1 – PHA FINANCIAL DATA**  
**June 30, 2009**

Line Item No.	Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
<b>Income Statement</b>							
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses- Non-capitalized	-	-	-	-	-	-
97300-010	Mainstream 1 & 5 year	-	785,750	-	785,750	-	785,750
97300-020	Home-Ownership	-	216,419	-	216,419	-	216,419
97300-025	Litigation	-	-	-	-	-	-
97300-030	Hope IV	-	-	-	-	-	-
97300-035	Moving to Work	-	-	-	-	-	-
97300-040	Tenant Protection	-	118,829	-	118,829	-	118,829
97300-050	All Other	-	37,013,823	-	37,013,823	-	37,013,823
97300	<b>Housing assistance payments</b>	-	<b>38,134,821</b>	-	<b>38,134,821</b>	-	<b>38,134,821</b>
97350	<b>HAP Portability-in</b>	-	-	-	-	-	-
97400	Depreciation expense	1,767,724	4,374,081	39,117	6,180,922	-	6,180,922
97500	Fraud losses	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	<b>Total Expenses</b>	<b>9,956,637</b>	<b>77,718,194</b>	<b>1,174,045</b>	<b>88,848,876</b>	<b>(5,719,835)</b>	<b>83,129,041</b>
10010	Operating transfer in	239,205	1,580,927	-	1,820,132	-	1,820,132
10020	Operating transfer out	-	(900,000)	-	(900,000)	-	(900,000)
10100	<b>Total other financing sources (uses)</b>	<b>239,205</b>	<b>680,927</b>	<b>-</b>	<b>920,132</b>	<b>-</b>	<b>920,132</b>
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>1,498,407</b>	<b>3,168,225</b>	<b>(32,724)</b>	<b>4,633,908</b>	<b>-</b>	<b>4,633,908</b>
11020	Required Annual Debt Principal Payments	77,016	-	-	77,016	-	77,016
11030	Beginning equity	35,793,614	95,604,332	516,127	131,914,073	-	131,914,073
11040	<b>Prior period adjustments, equity transfers, and correction of errors</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 1 – PHA FINANCIAL DATA**  
**June 30, 2009**

Line Item No.	Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
<b>Income Statement</b>							
11170-001	Administrative Fee Equity- Beginning Balance	-	324,771	-	324,771	-	324,771
11170-010	Administrative Fee Revenue	-	3,036,821	-	3,036,821	-	3,036,821
11170-020	Hard to House Fee Revenue	-	-	-	-	-	-
11170-021	FSS Coordinator Grant	-	32,750	-	32,750	-	32,750
11170-030	Audit Costs	-	-	-	-	-	-
11170-040	Investment Income	-	3,364	-	3,364	-	3,364
11170-045	Fraud Recovery Revenue	-	92,834	-	92,834	-	92,834
11170-050	Other Revenue	-	600,318	-	600,318	-	600,318
11170-051	Comment for Other Revenue						
11170-060	Total Admin Fee Revenues	-	3,766,087	-	3,766,087	-	3,766,087
11170-080	Total Operating Expenses	-	2,942,263	-	2,942,263	-	2,942,263
11170-090	Depreciation	-	-	-	-	-	-
11170-095	Housing Assistance Portability In	-	-	-	-	-	-
11170-100	Other Expenses	-	-	-	-	-	-
11170-101	Comment for Other Expense						
11170-110	Total Expenses	-	2,942,263	-	2,942,263	-	2,942,263
11170-002	Net Administrative Fee	-	823,824	-	823,824	-	823,824
11170-003	Administrative Fee Equity- Ending Balance	-	1,148,595	-	1,148,595	-	1,148,595
11170	<b>Administrative Fee Equity</b>	-	<b>1,148,595</b>	-	<b>1,148,595</b>	-	<b>1,148,595</b>
11180-001	Housing Assistance Payments Equity - Beginning Balance	-	4,836,921	-	4,836,921	-	4,836,921
11180-010	Housing Assistance Payment Revenues	-	36,286,864	-	36,286,864	-	36,286,864
11180-015	Fraud Recovery Revenue	-	92,834	-	92,834	-	92,834
11180-020	Other Revenue	-	19,674	-	19,674	-	19,674
11180-021	Comment for Other Revenue						
11180-025	Investment Income	-	32,994	-	32,994	-	32,994
11180-030	Total HAP Revenues	-	36,432,366	-	36,432,366	-	36,432,366
11180-080	Housing Assistance Payments	-	38,134,821	-	38,134,821	-	38,134,821
11180-090	Other Expenses	-	396,016	-	396,016	-	396,016
11180-091	Comments for Other Expenses						
11180-100	Total Housing Assistance Payments Expenses	-	38,530,837	-	38,530,837	-	38,530,837
11180-002	Net Housing Assistance Payments	-	(2,098,471)	-	(2,098,471)	-	(2,098,471)
11180-003	Housing Assistance Payments Equity-Ending Balance	-	2,738,450	-	2,738,450	-	2,738,450
11180	<b>Housing Assistance Payments Equity</b>	-	<b>2,738,450</b>	-	<b>2,738,450</b>	-	<b>2,738,450</b>
11190-210	Total ACC HCV Units	-	38448	-	38448	-	38448
11190-220	Unfunded Units	-	-	-	-	-	-
11190-230	Other Adjustments	-	-	-	-	-	-
11190	<b>Unit Months Available</b>	<b>12780</b>	<b>71028</b>	-	<b>83808</b>	-	<b>83808</b>
11210	<b>Unit Months Leased</b>	<b>12636</b>	<b>70043</b>	-	<b>82679</b>	-	<b>82679</b>
11270	<b>Excess Cash</b>	<b>5,214,138</b>	<b>-</b>	<b>-</b>	<b>5,214,138</b>	<b>-</b>	<b>5,214,138</b>
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	2,628,255	-	-	2,628,255	-	2,628,255

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 3 – PROGRAM FINANCIALS**  
**June 30, 2009**

Line Item No.	Description	Total Programs	Business Activities	Component Units	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
<b>Balance Sheet</b>							
111	Cash-unrestricted	40,581,461	33,928,340	5,047,267	44,846	-	1,561,008
112	Cash-restricted-modernization and development	451,447	451,447	-	-	-	-
113	Cash-other restricted	8,027,336	3,505,812	4,521,524	-	-	-
114	Cash-tenant security deposits	1,298,763	860,386	438,377	-	-	-
115	Cash - Restricted for payment of current liability	178,792	-	-	-	-	178,792
100	<b>Total Cash</b>	<b>50,537,799</b>	<b>38,745,985</b>	<b>10,007,168</b>	<b>44,846</b>	<b>-</b>	<b>1,739,800</b>
121	Accounts receivable - PHA projects	167,223	-	-	-	-	\$167,223
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	-	-	-	-	-	-
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	-	-
122	<b>Accounts receivable - HUD other projects</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
124	Account receivable - other government	296,970	-	-	-	33,310	263,660
125-010	Account receivable - miscellaneous - Not For Profit	-	-	-	-	-	-
125-020	Account receivable - miscellaneous - Partnership	-	-	-	-	-	-
125-030	Account receivable - miscellaneous - Joint Venture	-	-	-	-	-	-
125-040	Account receivable - miscellaneous - Tax Credit	-	-	-	-	-	-
125-050	Account receivable - miscellaneous - Other	2,669,822	2,669,822	-	-	-	-
125-060	Other - Comment	-	-	-	-	-	-
125	<b>Account receivable - miscellaneous</b>	<b>2,894,955</b>	<b>2,669,822</b>	<b>225,133</b>	<b>-</b>	<b>-</b>	<b>-</b>
126	Accounts receivable - tenants	300,536	199,218	101,318	-	-	-
126.1	Allowance for doubtful accounts - tenants	(113,180)	(58,431)	(54,749)	-	-	-
126.2	Allowance for doubtful accounts - other	(16,501)	-	-	-	-	(16,501)
127	Notes, Loans, & Mortgages Receivable - Current	431,651	349,704	81,947	-	-	-
128	Fraud recovery	330,292	-	-	-	-	330,292
128.1	Allowance for doubtful accounts - fraud	(178,167)	-	-	-	-	(178,167)
129	Accrued interest receivable	160,670	152,057	322	-	-	8,291
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>4,274,449</b>	<b>3,312,370</b>	<b>353,971</b>	<b>-</b>	<b>33,310</b>	<b>574,798</b>
131	Investments - unrestricted	3,590,000	3,590,000	-	-	-	-
132	Investments - restricted	1,366,000	1,366,000	-	-	-	-
135	Investments - Restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	3,317,468	138,707	7,918	-	-	3,170,843
143	Inventories	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Inter program - due from	-	-	-	-	-	-
145	Assets held for sale	1,787,884	1,787,884	-	-	-	-
150	<b>Total Current Assets</b>	<b>64,873,600</b>	<b>48,940,946</b>	<b>10,369,057</b>	<b>44,846</b>	<b>33,310</b>	<b>5,485,441</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 3 – PROGRAM FINANCIALS**  
**June 30, 2009**

Line Item No.	Description	Total Programs	Business Activities	Component Units	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
<b>Balance Sheet</b>							
161	Land	29,723,042	20,958,800	8,764,242			
162	Buildings	130,552,278	58,318,350	72,233,928			
163	Furniture, equipment and machinery - dwellings	1,036,365	108,815	927,550			
164	Furniture, equipment and machinery - administration	-					
165	Leasehold improvements	-					
166	Accumulated depreciation	(50,384,094)	(26,867,029)	(23,517,065)			
167	Construction in progress	-					
168	Infrastructure	-					
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>110,927,591</b>	<b>52,518,936</b>	<b>58,408,655</b>	<b>-</b>	<b>-</b>	<b>-</b>
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-					
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-					
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-					
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	-					
171-050	Notes, Loans, & mortgages receivable - Non-current - Other	31,366,593	31,366,593				
171-060	Other - Comment						
171	<b>Notes, Loans, &amp; mortgages receivable – Non-current</b>	<b>31,366,593</b>	<b>31,366,593</b>				
172	<b>Notes, Loans, &amp; mortgages receivable – Non-current - past due</b>	<b>-</b>	<b>-</b>				
173	Grants receivable – Non-current	-					
174-010	Other assets - Not For Profit	-					
174-020	Other assets - Partnership	-					
174-030	Other assets - Joint Venture	-					
174-040	Other assets - Tax Credit	-					
174-050	Other assets - Other	25,278	25,278				
174-060	Other - Comment						
174	<b>Other assets</b>	<b>1,013,579</b>	<b>25,278</b>	<b>988,301</b>			
176	<b>Investment in joint venture</b>	<b>-</b>	<b>-</b>				
180	<b>Total Non-current Assets</b>	<b>143,307,763</b>	<b>83,910,807</b>	<b>59,396,956</b>	<b>-</b>	<b>-</b>	<b>-</b>
190	<b>Total Assets</b>	<b>208,181,363</b>	<b>132,851,753</b>	<b>69,766,013</b>	<b>44,846</b>	<b>33,310</b>	<b>5,485,441</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 3 – PROGRAM FINANCIALS**  
**June 30, 2009**

Line Item No.	Description	Total Programs	Business Activities	Component Units	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
<b>Balance Sheet</b>							
311	Bank overdraft	-					
312	Accounts payable <= 90 days	2,404,065	493,448	1,871,669			38,948
313	Accounts payable > 90 days past due	-					
321	Accrued wage/payroll taxes payable	490,557	261,492			7,865	221,200
322	Accrued compensated absences - current portion	356,702	222,282			6,599	127,821
324	Accrued contingency liability	-					
325	Accrued interest payable	156,157	156,157				
331	<b>Accounts payable - HUD PHA Programs</b>	<b>44,846</b>			<b>44,846</b>		
332	Accounts payable - PHA Projects	-					
333	Accounts payable - other government	2,830,674	527,352	2,300,114		3,208	
341	Tenant security deposits	1,298,763	860,386	438,377			
342	<b>Deferred revenue</b>	<b>1,287,020</b>	<b>352,732</b>	<b>81,582</b>			<b>852,706</b>
343	<b>Current portion of long-term debt - capital projects/mortgage revenue bonds</b>	<b>3,877,530</b>	<b>2,905,172</b>	<b>972,358</b>			
344	Current portion of long-term debt - operating borrowings	1,412,589	1,412,589				
345	Other current liabilities	372,190	193,398				178,792
346	Accrued liabilities - other	386,103	381,830			4,273	
347	Inter program - due to	-					
348	<b>Loan liability - current</b>	<b>-</b>	<b>-</b>				
310	<b>Total Current Liabilities</b>	<b>14,917,196</b>	<b>7,766,838</b>	<b>5,664,100</b>	<b>44,846</b>	<b>21,945</b>	<b>1,419,467</b>
351	<b>Capital Projects/ Mortgage Revenue Bonds</b>	<b>60,409,160</b>	<b>15,305,588</b>	<b>45,103,572</b>			
352	Long-term debt, net of current - operating borrowings	31,018,386	31,018,386				
353	Non-current liabilities - other	2,638,316		2,638,316			
354	Accrued compensated absences- Non-current	425,748	235,454			11,365	178,929
355	<b>Loan liability - Non-current</b>	<b>-</b>	<b>-</b>				
356	FASB 5 Liabilities	-					
357	Accrued Pension and OPEB Liability	-					
350	<b>Total Non-current liabilities</b>	<b>94,491,610</b>	<b>46,559,428</b>	<b>47,741,888</b>	<b>-</b>	<b>11,365</b>	<b>178,929</b>
300	<b>Total Liabilities</b>	<b>109,408,806</b>	<b>54,326,266</b>	<b>53,405,988</b>	<b>44,846</b>	<b>33,310</b>	<b>1,598,396</b>
508.1	Invested in capital assets, net of related debt	46,640,901	34,308,176	12,332,725			
511.1	Restricted Net Assets	12,131,786	4,871,812	4,521,524			2,738,450
512.1	Unrestricted Net Assets	39,999,870	39,345,499	(494,224)			1,148,595
513	<b>Total Equity/Net Assets</b>	<b>98,772,557</b>	<b>78,525,487</b>	<b>16,360,025</b>	<b>-</b>	<b>-</b>	<b>3,887,045</b>
600	<b>Total Liabilities and Equity/Net assets</b>	<b>208,181,363</b>	<b>132,851,753</b>	<b>69,766,013</b>	<b>44,846</b>	<b>33,310</b>	<b>5,485,441</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 3 – PROGRAM FINANCIALS**  
**June 30, 2009**

Line Item No.	Description	Total Programs	Business Activities	Component Units	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
<b>Income Statement</b>							
70300	Net tenant rental revenue	27,538,648	19,546,753	7,991,895			
70400	Tenant revenue - other	366,801	366,801				
70500	Total Tenant Revenue	27,905,449	19,913,554	7,991,895	-	-	-
70600-010	Housing assistance payments	36,286,864					36,286,864
70600-020	Ongoing administrative fees earned	3,036,821					3,036,821
70600-030	Hard to house fee revenue	-					
70600-031	FSS Coordinator	32,750					32,750
70600-040	Actual independent public accountant audit costs	-					
70600-050	Total preliminary fees earned	-					
70600-060	All other fees	-					
70600-070	Admin fee calculation description	-					
70600	<b>HUD PHA operating grants</b>	<b>39,816,004</b>		<b>218,572</b>		<b>240,997</b>	<b>39,356,435</b>
70610	Capital grants	-					
70710	Management Fee	-					
70720	Asset Management Fee	-					
70730	Book-Keeping Fee	-					
70740	Front Line Service Fee	-					
70750	Other Fees	-					
70700	<b>Total Fee Revenue</b>	<b>-</b>					
70800	Other government grants	3,334,321	3,272,208	62,113			
71100-010	Housing Assistance Payment	32,994					32,994
71100-020	Administrative Fee	3,364					3,364
71100	<b>Investment income - unrestricted</b>	<b>726,327</b>	<b>616,723</b>	<b>69,285</b>	<b>3,961</b>		<b>36,358</b>
71200	Mortgage interest income	-					
71300	Proceeds from disposition of assets held for sale	-					
71310	Cost of sale of assets	-					
71400-010	Housing Assistance Payment	92,834					92,834
71400-020	Administrative Fee	92,834					92,834
71400	<b>Fraud recovery</b>	<b>185,668</b>					<b>185,668</b>
71500	Other revenue	8,237,723	7,084,252	1,091,417			62,054
71600	Gain or loss on sale of capital assets	-					
72000-010	Housing Assistance Payment	-					
72000-020	Administrative Fee	-					
72000	<b>Investment income - restricted</b>	<b>-</b>					<b>-</b>
70000	<b>Total Revenue</b>	<b>80,205,492</b>	<b>30,886,737</b>	<b>9,433,282</b>	<b>3,961</b>	<b>240,997</b>	<b>39,640,515</b>



**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 3 – PROGRAM FINANCIALS**  
**June 30, 2009**

Line Item No.	Description	Total Programs	Business Activities	Component Units	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
<b>Income Statement</b>							
91100	Administrative salaries	9,087,961	6,417,079	656,416		121,111	1,893,355
91200	Auditing fees	205,698	48,500	120,198			37,000
91300	Management Fee	-					
91310	Book-Keeping Fee	-					
91400	Advertising and Marketing	10,753	10,753				
91500	Employee benefit contributions - administrative	2,095,864	1,474,727			45,061	576,076
91600	Office Expenses	2,994,941	2,980,612				14,329
91700	Legal Expense	33,787		22,994			10,793
91800	Travel	3,556					3,556
91810	Allocated Overhead	-					
91900	Other	1,301,719		940,359			361,360
91000	<b>Total Operating-Administrative</b>	<b>15,734,279</b>	<b>10,931,671</b>	<b>1,739,967</b>	<b>-</b>	<b>166,172</b>	<b>2,896,469</b>
92000	Asset Management Fee	-					
92100	Tenant services - salaries	-					
92200	Relocation Costs	-					
92300	Employee benefit contributions - tenant services	-					
92400	Tenant services - other	74,825				74,825	
92500	<b>Total Tenant Services</b>	<b>74,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,825</b>	<b>-</b>
93100	Water	387,183	49,057	338,126			
93200	Electricity	1,416,896	1,030,605	386,291			
93300	Gas	1,230,207	830,445	399,762			
93400	Fuel	-					
93500	Labor	-					
93600	Sewer	-					
93700	Employee benefit contributions - utilities	-					
93800	Other utilities expense	1,278	1,278				
93000	<b>Total Utilities</b>	<b>3,035,564</b>	<b>1,911,385</b>	<b>1,124,179</b>	<b>-</b>	<b>-</b>	<b>-</b>
94100	Ordinary maintenance and operations - labor	1,642,032	993,579	648,453			
94200	Ordinary maintenance and operations - materials and other	7,667,202	7,350,019	317,183			
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	140,322		140,322			
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	61,356		61,356			
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	-					
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts	-					
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	-					
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	203,244		203,244			
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	-					
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	-					
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	-					
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	-					
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	-					
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	1,815,505	488,678	1,326,827			
94300	<b>Ordinary Maintenance and Operations Contracts</b>	<b>2,220,427</b>	<b>488,678</b>	<b>1,731,749</b>	<b>-</b>	<b>-</b>	<b>-</b>
94500	Employee benefit contribution - ordinary maintenance	384,450		384,450			
94000	<b>Total Maintenance</b>	<b>11,914,111</b>	<b>8,832,276</b>	<b>3,081,835</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 3 – PROGRAM FINANCIALS**  
**June 30, 2009**

Line Item No.	Description	Total Programs	Business Activities	Component Units	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
<b>Income Statement</b>							
95100	Protective services - labor	-					
95200	Protective services - other contract costs	-					
95300	Protective services - other	-					
95500	Employee benefit contributions - protective services	-					
95000	<b>Total Protective Services</b>	-	-	-	-	-	-
96110	Property Insurance	10,450	10,450				
96120	Liability Insurance	-					
96130	Workmen's Compensation	-					
96140	All Other Insurance	-					
96100	<b>Total Insurance Premiums</b>	10,450	10,450	-	-	-	-
96200	Other general expenses	487,363	3,431	483,932			
96210	Compensated absences	45,794					45,794
96300	Payments in lieu of taxes	582,900		582,900			
96400	Bad debt - tenant rents	208,988	189,962	19,026			
96500	Bad debt - mortgages	-					
96600	Bad debt - other	-					
96800	Severance expense	-					
96000	<b>Total Other General Expenses</b>	1,325,045	193,393	1,085,858	-	-	45,794
96710	Interest of Mortgage (or Bonds) Payable	3,115,018	1,104,290	2,010,728			
96720	Interest on Notes Payable (Short and Long Term)	-					
96730	Amortization of Bond Issue Costs	-					
96700	<b>Total Interest Expense and Amortization Cost</b>	3,115,018	1,104,290	2,010,728	-	-	-
96900	<b>Total Operating Expenses</b>	35,209,292	22,983,465	9,042,567	-	240,997	2,942,263
97000	<b>Excess Revenue Over Operating Expenses</b>	44,996,200	7,903,272	390,715	3,961	-	36,698,252

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 3 – PROGRAM FINANCIALS**  
**June 30, 2009**

Line Item No.	Description	Total Programs	Business Activities	Component Units	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
<b>Income Statement</b>							
97100	Extraordinary maintenance	-					
97200	Casualty losses- Non-capitalized	-					
97300-010	Mainstream 1 & 5 year	785,750					785,750
97300-020	Home-Ownership	216,419					216,419
97300-025	Litigation	-					
97300-030	Hope IV	-					
97300-035	Moving to Work	-					
97300-040	Tenant Protection	118,829					118,829
97300-050	All Other	37,013,823					37,013,823
97300	<b>Housing assistance payments</b>	<b>38,134,821</b>					<b>38,134,821</b>
97350	<b>HAP Portability-in</b>	-					
97400	Depreciation expense	4,374,081	2,009,035	2,365,046			
97500	Fraud losses	-					
97800	Dwelling units rent expense	-					
90000	<b>Total Expenses</b>	<b>77,718,194</b>	<b>24,992,500</b>	<b>11,407,613</b>	-	<b>240,997</b>	<b>41,077,084</b>
10010	Operating transfer in	1,580,927		1,580,927			
10020	Operating transfer out	(900,000)	(900,000)				
10030	<b>Operating transfers from / to primary government</b>	-	-				
10040	Operating transfers from / to component unit	-					
10070	Extraordinary items, net gain/loss	-					
10080	Special items, net gain/loss	-					
10091	Inter Project Excess Cash Transfer In	-					
10092	Inter Project Excess Cash Transfer Out	-					
10093	Transfers between Programs and Projects - in	-					
10094	Transfers between Programs and Projects - out	-					
10100	<b>Total other financing sources (uses)</b>	<b>680,927</b>	<b>(900,000)</b>	<b>1,580,927</b>	-	-	-
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>3,168,225</b>	<b>4,994,237</b>	<b>(393,404)</b>	<b>3,961</b>	-	<b>(1,436,569)</b>
11020	Required Annual Debt Principal Payments	-					
11030	Beginning equity	95,604,332	73,531,250	16,753,429	157,961	-	5,161,692
11040-010	Prior period adjustments and correction of errors - Editable	-					
11040-020	Prior period adjustments and correction of errors - Editable	-					
11040-030	Prior period adjustments and correction of errors - Editable	-					
11040-040	Prior period adjustments and correction of errors - Editable	-					
11040-050	Prior period adjustments and correction of errors - Editable	-					
11040-060	Prior period adjustments and correction of errors - Editable	-					
11040-070	Equity Transfers	-			(161,922)		161,922
11040-080	Equity Transfers	-					
11040-090	Equity Transfers	-					
11040-100	Equity Transfers	-					
11040-110	Equity Transfers	-					
11040	<b>Prior period adjustments, equity transfers, and correction of errors</b>	-	-	-	<b>(161,922)</b>	-	<b>161,922</b>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**  
**(A Component Unit of the County of Fairfax, Virginia)**  
**LEVEL 3 – PROGRAM FINANCIALS**  
**June 30, 2009**

Line Item No.	Description	Total Programs	Business Activities	Component Units	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
<b>Income Statement</b>							
11170-001	Administrative Fee Equity- Beginning Balance	324,771					324,771
11170-010	Administrative Fee Revenue	3,036,821					3,036,821
11170-020	Hard to House Fee Revenue	-					-
11170-021	FSS Coordinator Grant	32,750					32,750
11170-030	Audit Costs	-					-
11170-040	Investment Income	3,364					3,364
11170-045	Fraud Recovery Revenue	92,834					92,834
11170-050	Other Revenue	600,318					600,318
11170-051	Comment for Other Revenue	-				Portability Servicing fee and equity transfer	-
11170-060	Total Admin Fee Revenues	3,766,087					3,766,087
11170-080	Total Operating Expenses	2,942,263					2,942,263
11170-090	Depreciation	-					-
11170-095	Housing Assistance Portability In	-					-
11170-100	Other Expenses	-					-
11170-101	Comment for Other Expense	-					-
11170-110	Total Expenses	2,942,263					2,942,263
11170-002	Net Administrative Fee	823,824					823,824
11170-003	Administrative Fee Equity- Ending Balance	1,148,595					1,148,595
11170	<b>Administrative Fee Equity</b>	<b>1,148,595</b>					<b>1,148,595</b>
11180-001	Housing Assistance Payments Equity - Beginning Balance	4,836,921					4,836,921
11180-010	Housing Assistance Payment Revenues	36,286,864					36,286,864
11180-015	Fraud Recovery Revenue	92,834					92,834
11180-020	Other Revenue	19,674					19,674
11180-021	Comment for Other Revenue	-					FSS Forfeitures
11180-025	Investment Income	32,994					32,994
11180-030	Total HAP Revenues	36,432,366					36,432,366
11180-080	Housing Assistance Payments	38,134,821					38,134,821
11180-090	Other Expenses	396,016					396,016
11180-091	Comments for Other Expenses	-				Prior period adjustments	-
11180-100	Total Housing Assistance Payments Expenses	38,530,837					38,530,837
11180-002	Net Housing Assistance Payments	(2,098,471)					(2,098,471)
11180-003	Housing Assistance Payments Equity-Ending Balance	2,738,450					2,738,450
11180	<b>Housing Assistance Payments Equity</b>	<b>2,738,450</b>					<b>2,738,450</b>
11190-210	Total ACC HCV Units	38,448					38,448
11190-220	Unfunded Units	-					-
11190-230	Other Adjustments	-					-
11190	<b>Unit Months Available</b>	<b>71,028</b>	<b>20,652</b>	<b>11,928</b>	-		<b>38,448</b>
11210	<b>Unit Months Leased</b>	<b>70,043</b>	<b>19,560</b>	<b>11,652</b>	-		<b>38,831</b>
11270	<b>Excess Cash</b>	<b>-</b>					
11610	Land Purchases	-					-
11620	Building Purchases	-					-
11630	Furniture & Equipment-Dwelling Purchases	-					-
11640	Furniture & Equipment-Administrative Purchases	-					-
11650	Leasehold Improvements Purchases	-					-
11660	Infrastructure Purchases	-					-
13510	CFFP Debt Service Payments	-					-
13901	Replacement Housing Factor Funds	-					-

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

The Board of Supervisors  
County of Fairfax, Virginia

The Board of Commissioners  
Fairfax County Redevelopment  
and Housing Authority  
Fairfax, Virginia

We have audited the financial statements of the business-type activities of Fairfax County Redevelopment and Housing Authority (the Authority), a component unit of the County of Fairfax, Virginia, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 4, 2009. That report recognized that we did not audit the financial statements of the discretely presented component units, which represent 100% of the total assets, revenues, and net assets of the discretely presented component units as of and for the year ended June 30, 2009. Additionally, we did not audit the financial statements of one of the Authority owned rental properties which represents less than 1% of the total assets, 2% of the total revenues, and less than 1% of the total net assets of the primary government as of and for the year ended June 30, 2009. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for the one rental property and the discretely presented component units, is based solely on the reports of the other auditors. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The component unit financial statements of Castellani Meadows, Gum Springs Glen, Herndon Harbor House, Herndon Harbor House II, Morris Glen, Tavenner Lane, FCRHA HCDC One, FCRHA HCDC Two, Cedar Ridge and The Green were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority in a separate letter dated November 4, 2009.

This report is intended solely for the information and use of management, the County Board of Supervisors, and the Authority Board of Commissioners, and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clifton Gundersen LLP".

Baltimore, Maryland  
November 4, 2009